



City of Eau Claire

Eau Claire, Wisconsin

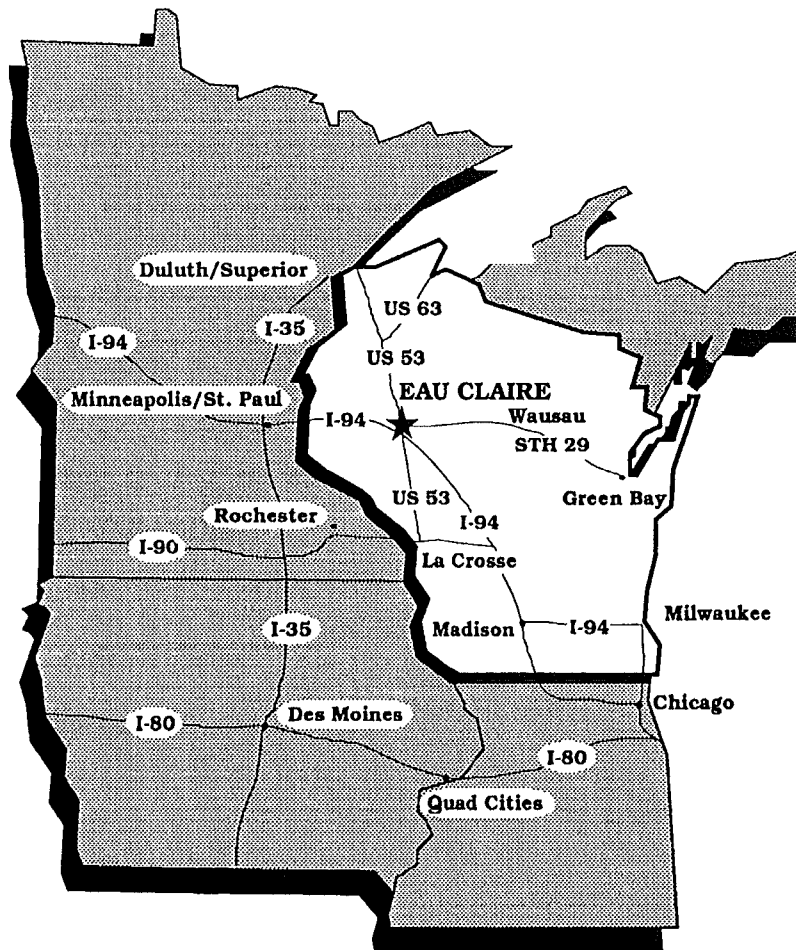
COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED

DECEMBER 31, 2007

Finance Department
Rebecca K. Noland, CPA, Director of Finance
Tom Hoff, Financial Services Manager

EAU CLAIRE, WISCONSIN

The City of Eau Claire is located in west central Wisconsin at the confluence of the Eau Claire and Chippewa Rivers. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade and industry in the Chippewa Valley.



Eau Claire is conveniently linked by air, fiber optics, railroad and the interstate system to all of the major markets in the upper Midwest. The City is less than 2 hours away from Minneapolis / St. Paul via I-94 and just 4.5 hours from Milwaukee, also via I-94. Scheduled daily air service links Eau Claire with the Minneapolis / St. Paul International Airport.

Eau Claire's quality of life is no secret. Several national surveys have ranked Eau Claire toward the top of all U.S. metropolitan areas. Eau Claire's picturesque setting on the banks of the Eau Claire and Chippewa Rivers is one of its greatest assets. The City has made excellent use of its natural features with many beautiful urban and rural parks and parkways. Well-preserved historic neighborhoods add to the City's charm. The City's

residents enjoy a wide variety of year-round sporting events, thanks to the four distinct seasons. Swimming, biking, boating, golfing, hunting, fishing, skating, and cross-country skiing are just a few of the activities which attract visitors to the area. Eau Claire is also a cultural center with a strongly supported arts and entertainment calendar.

Low costs of living and housing, full governmental services, a cooperative business environment and a growing economy all contribute to make Eau Claire an attractive place to live and work.

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	<u>Page</u>
Elected and Appointed Officials	1
Organizational Chart	2
Letter of Transmittal	3
Certificate of Achievement	13
II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	14
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	16
<i>BASIC FINANCIAL STATEMENTS</i>	
Government-Wide Financial Statements	
Statement of Net Assets	28
Statement of Activities	29
Fund Financial Statements	
<i>Governmental Funds</i>	
Balance Sheet – Governmental Funds	31
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	32
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	34

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>Proprietary Funds</i>	
Statement of Net Assets	36
Statement of Revenues, Expenses, and Changes in Fund Net Assets	40
Statement of Cash Flows	42
<i>Fiduciary Funds</i>	
Statement of Net Assets	46
<i>Component Units</i>	
Statement of Net Assets	47
Statement of Activities	48
Notes to Financial Statements	50
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	113
Notes to Required Supplementary Information	114
<i>SUPPLEMENTARY INFORMATION</i>	
<i>Combining Statements and Individual Fund Statements and Schedules</i>	
<i>Major Governmental Funds</i>	
Comparative Balance Sheet – General Fund	115
Detailed Schedule of Revenues and Other Financing Sources Budget and Actual – General Fund	117
Detailed Schedule of Expenditures and Other Financing Uses Budget and Actual – General Fund	120
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Debt Service – General	123

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)

	<u>Page</u>
<i>SUPPLEMENTARY INFORMATION (cont.)</i>	
<i>Nonmajor Governmental Funds</i>	
Combining Balance Sheet	124
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	125
Combining Balance Sheet – Nonmajor Special Revenue Funds	127
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	129
Combining Balance Sheet – Nonmajor Debt Service Funds	131
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	132
Combining Balance Sheet – Nonmajor Capital Projects Funds	133
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	135
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds with Annual Budgets	
Cemetery Maintenance	137
Hazardous Materials Response	138
Economic Development	139
Community Enhancement	140
Public Library	141
City-County Health	142
Downtown Partners	143
Former Landfill Escrow	144
Debt Service – TIF No. 4	145
Debt Service – TIF No. 6	146
<i>Nonmajor Enterprise Funds</i>	
Combining Statement of Net Assets	147
Combining Statement of Revenues, Expenses, and Changes in Net Assets	148
Combining Statement of Cash Flows	149

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS (cont.)

II. FINANCIAL SECTION (cont.)	<u>Page</u>
<i>SUPPLEMENTARY INFORMATION (cont.)</i>	
<i>Internal Service Funds</i>	
Combining Statement of Net Assets	150
Combining Statement of Revenues, Expenses and and Changes in Net Assets	151
Combining Statement of Cash Flows	152
<i>Agency Funds</i>	
Statement of Changes in Assets and Liabilities	154
<i>Nonmajor Component Units</i>	
Combining Statement of Net Assets	155
Combining Statement of Activities	156
Combining Balance Sheet – Governmental Component Units	157
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Component Units	158
III. STATISTICAL SECTION	
Table 1 – Net Assets by Component – Last Four Fiscal Years	159
Table 2 – Changes in Net Assets – Last Four Fiscal Years	160
Table 3 – Fund Balances – Governmental Funds – Last Four Fiscal Years	163

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Table 4 – Changes in Fund Balances – Governmental Funds – Last Four Fiscal Years	164
Table 5 – Assessed and Estimated Actual Value of All Taxable Property – Last Ten Fiscal Years	165
Table 6 – Assessed and Estimated Actual Value of Residential Property – Last Ten Fiscal Years	166
Table 7 – Assessed and Estimated Actual Value of Commercial Property – Last Ten Fiscal Years	167
Table 8 – Assessed and Estimated Actual Value of Industrial Property – Last Ten Fiscal Years	168
Table 9 – Assessed and Estimated Actual Value of Taxable Property By County – Last Ten Fiscal Years	169
Table 10 – Equalized Value of Tax Increment Districts – Last Ten Fiscal Years	170
Table 11 – Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	171
Table 12 – Principal Taxpayers – Current Year and Nine Years Ago	173
Table 13 – Gross Tax Levy by Taxing Entity – Last Ten Fiscal Years	174
Table 14 – Real and Personal Property Tax Levies and Collections – Last Ten Fiscal Years	175
Table 15 – Special Assessment Collections – Last Ten Fiscal Years	176
Table 16 – Water Utility Customer Summary – Last Ten Fiscal Years	177
Table 17 – Water Utility Customer Rates – Last Ten Fiscal Years	178
Table 18 – Water Utility – Ten Largest Customers – Current Year and Nine Years Ago	179
Table 19 – Sewer Utility Customer Summary – Last Ten Fiscal Years	180

CITY OF EAU CLAIRE

COMPREHENSIVE ANNUAL FINANCIAL REPORT December 31, 2007

TABLE OF CONTENTS (cont.)

III. STATISTICAL SECTION (cont.)	<u>Page</u>
Table 20 – Sewer Utility Customer Rates – Last Ten Fiscal Years	181
Table 21 – Sewer Utility – Ten Largest Customers – Current Year and Nine Years Ago	182
Table 22 – Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	183
Table 23 – Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	184
Table 24 – Schedule of Direct and Indirect General Obligation Debt	185
Table 25 – Schedule of Direct and Indirect General Obligation Debt – Last Ten Fiscal Years	186
Table 26 – Computation of Legal Debt Margin – Last Ten Fiscal Years	187
Table 27 – Pledged Revenue Coverage – Last Ten Fiscal Years	188
Table 28 – Ratio of Annual General Fund Debt Payments to Total General Fund Expenditures and Other Financing Uses – Last Ten Fiscal Years	189
Table 29 – Demographic and Economic Statistics – Last Ten Fiscal Years	190
Table 30 – Principal Employers – Current Year and Nine Years Ago	192
Table 31 – Employee Summary – Number of Municipal Employees – Last Ten Fiscal Years	193
Table 32 – Employee Summary – Schedule of Compensated Absences – Last Ten Fiscal Years	194
Table 33 – Operating Indicators by Function/Program – Last Ten Fiscal Years	195
Table 34 – Water Utility Production Statistics – Last Ten Fiscal Years	196
Table 35 – Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	197
Table 36 – Property Value and Construction – Last Ten Fiscal Years	198
Table 37 – Insurance Coverages	199

INTRODUCTORY SECTION

This section contains the following information:

- Elected and Appointed Officials
- Organizational Chart
- Letter of Transmittal
- Awards

CITY OF EAU CLAIRE, WISCONSIN ELECTED AND APPOINTED OFFICIALS

Elected Officials

	<u>Term Commenced</u>	<u>Term Expires</u>
David J. Adler Council President	April 2007	April 2009
David L. Duax District One	April 2007	April 2009
David Klinkhammer District Two	April 2007	April 2009
Thomas Kemp..... District Three	April 2007	April 2009
Bob Von Hayden..... District Four	April 2007	April 2009
Berlye S. Middleton..... District Five	April 2007	April 2009
Hal Davis Council at Large	April 2006	April 2008
Ray Hughes Council at Large	April 2006	April 2008
Kerry Kincaid Council at Large	April 2006	April 2008
Brandon Buchanan Council at Large	April 2006	April 2008
Thomas T. Vue..... Council at Large	April 2006	April 2008

Appointed Officials

Michael Huggins City Manager

Rebecca K. Noland, CPA Director of Finance - Comptroller/Treasurer

J. D. Peters Director of Human Resources/Assistant City
Manager

Daryl Tufte Director of Community Development

Phillip C. Fieber Director of Parks and Recreation

Brian Amundson, P.E. Director of Public Works

Edward Kassing Fire Chief

Jerome S. Matysik Police Chief

Stephen C. Nick City Attorney

Michael Golrick Public Library Director

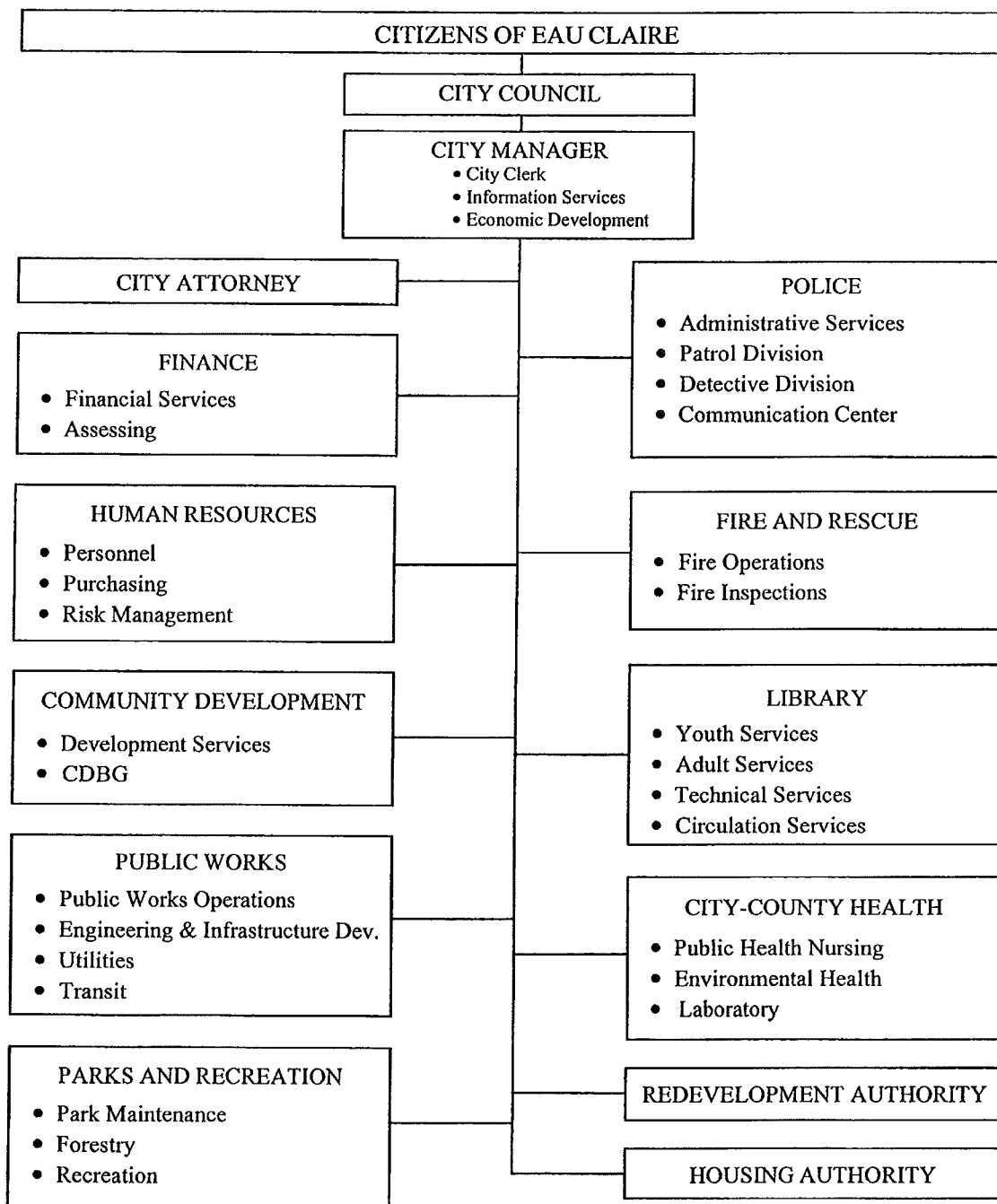
Richard Thoune..... City-County Health Director

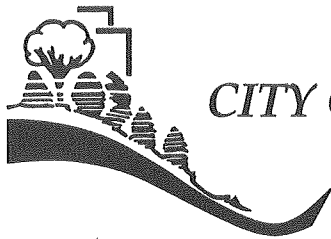
John R. Genskow, P.E. City Engineer

Donna A. Austad..... City Clerk

ORGANIZATIONAL CHART

City of Eau Claire, Wisconsin





June 12, 2008

City Council
Citizens of Eau Claire
Eau Claire, Wisconsin

The *Comprehensive Annual Financial Report* of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2007 is prepared to provide the Council, our citizens, and other interested persons, detailed information concerning the financial condition of the City government. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City government. We believe the information as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds and component units, and that all disclosures necessary to enable the reader to gain reasonable understanding of the City's financial affairs have been included.

Reporting Entity

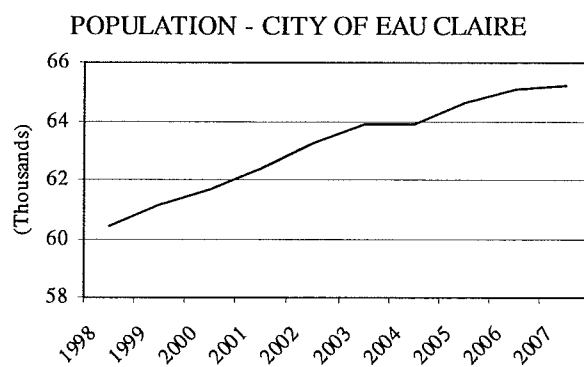
This report includes all of the funds and component units of the City of Eau Claire. The criteria used in determining the reporting entity are consistent with criteria established by the Governmental Accounting Standards Board (GASB) as outlined in the Codification of Governmental Accounting and Financial Reporting Standards. This report includes the General fund, which accounts for the general administration of the City, and the Special Revenue funds relating to Economic Development, Community Enhancement, Downtown, Cemetery Maintenance, the Hazardous Materials "A" Grant, the Public Library, the City-County Health Department, Community Development, Home Grant, and the Former Landfill Escrow. The report also includes the City's Enterprise funds that account for the Water, Sewer, Storm Water Management, Parking, and Transit utilities, the Hobbs Ice Center, and the Outdoor Pool. Internal Service funds provide information on the operations of the Risk Management and the Central Equipment functions.

Financial data for the Housing Authority, the Redevelopment Authority and four Business Improvement Districts is included in the reporting entity by discrete presentation because they are component units of the City. The Housing Authority was formed to engage in the development and operation of low-income housing. Such projects are regulated by the United States Department of Housing and Urban Development (HUD) and the Wisconsin Housing and Economic Development Authority (WHEDA). The Redevelopment Authority was created by the City Council in 1991 for the purpose of eliminating and preventing substandard, deteriorated, slum and blighted areas or properties and encouraging urban renewal. The Downtown, West Grand, Water Street, and North Barstow/Medical Business Improvement Districts account for the collection of special assessments from their members for business promotion within each district.

General Information

The City of Eau Claire is located in west central Wisconsin, in Eau Claire and Chippewa counties. The City was established as a lumbering settlement in the 1840's. Today it serves as the major center for health and professional services, education, retail trade, technology, and industry in west central Wisconsin. The City was incorporated in 1872, and covers an area of approximately 34 square miles. The City's current population is 65,202 and the population of the Greater Eau Claire Metropolitan Area is approximately 157,808.

The City of Eau Claire has a council/manager form of government with the City Council president and the ten Council members elected to serve two-year terms. Five of the Council members are elected at large in the even numbered years, while the other five members are elected by district in the odd numbered years. The Council president is also elected at large in the odd numbered years.



ECONOMIC CONDITIONS AND OUTLOOK

Strong retail outlets, regional medical facilities, high technology companies, and educational institutions anchor Eau Claire's economy and establish the City as the regional economic center in western Wisconsin. Eau Claire's diverse employment base has been cited by bond rating agencies as a significant factor in the City's solid Aa2 and AA ratings. The City's growth has been consistent, with new building valuation exceeding \$100 million for ten consecutive years. The 2007 construction season had a total building valuation of \$107 million, with the largest segment generated by the commercial sector at \$67 million. Industrial development increased by \$4 million. Residential construction totaled \$32 million, while miscellaneous projects increased by \$4 million. The top building project was a \$23 million addition to a healthcare facility. Other development included the continued build-out of a \$80 to \$90 million office, retail, and condominium project on the City's north side, and a \$7 million hotel and water park on the south side.

Retail trade remained strong in 2007, with a new Gander's Mountain opening and several other stores like David's Bridal, Michael's and Pet Smart planning new facilities. Tourism and hospitality services generated over \$300 million in local revenue and employed over 8,300 in the region. New restaurants included Texas Roadhouse and the Outback Steakhouse.

The medical sector is an important segment of Eau Claire's economy, with two regional hospitals employing over 4,000. Both hospitals have aggressive long-range expansion plans. Luther Hospital is located downtown and its presence has generated spin-off development in clinics, a pharmacy, restaurants, and other support services.

Eau Claire received national recognition in 2007 from a variety of nationally recognized publications. One of the more unusual designations was from Mother Earth News Magazine declaring the city to be one of the "Eight Great Places You've Never Heard Of". Other awards and rankings include:



2007 Winner of **"100 Best Communities for Young People"** from *America's Promise*.

"15th Greenest City" nationwide by *Country Home Magazine*.

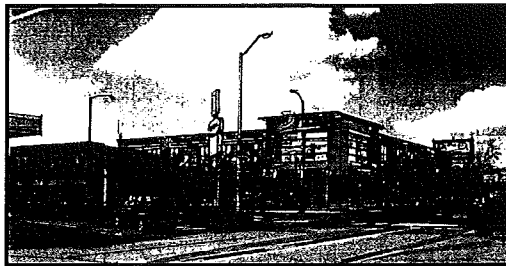
"Preserve America" award from the Advisory Council on Historic Preservation under the direction of the National Parks Service.

"5-Star Quality of Life City" by *Expansion Management*

"7th in the Top 10 Public Schools for Small Metro Areas" by *Expansion Management*.

"8th Safest Metro Area" by *Morgan Quinto*

Eau Claire's downtown realized a huge boost in 2007 with the signing of an agreement for the redevelopment of two square blocks with offices, a pharmacy, and residential units. Other developers are also interested in the area, reflecting the City's \$10 million investment in the surrounding tax incremental district, including a community park, a farmers' market, a trailhead, and new streets and utilities. Thousands of residents enjoyed the new park and farmers' market each week, bringing new life to the downtown. Concerts, films, and festivals are some of the many events that occurred here in 2007.



A new downtown redevelopment area, called the West Bank, was in the initial planning stages in 2007. When approved, the redevelopment district will enable the City to begin assembling land for a possible arena and convention center.

MAJOR INITIATIVES

The following were among the many diverse activities to which both elected officials and staff devoted their energies in 2007 and into 2008.

Clear Vision Eau Claire

A consortium of local governments and community organizations contracted with the National Civic League to initiate a community visioning and strategic planning process for the greater Eau Claire Area. The initiative has identified six key community performance areas to be addressed: (1) quality of life; (2) economic development; (3) health; (4) education; (5) transportation; and (6) community partnerships and collaboration.

Citizen Survey

The City contracted with the National Research Center, Inc. (NRC) to conduct a citizen survey about community issues and municipal services. The purpose of the survey was to assist in setting service and budget priorities.

YMCA Sale Agreement

City staff worked with representatives of the YMCA to negotiate a purchase agreement regarding the sale of City owned land along Menomonie Street for a future YMCA facility. The agreement provided for disposition of the existing YMCA facility and an option for closing on the purchase of land by the end of 2008.

Statewide Voter Registration System

The Elections Staff continued the transition from our legacy voter registration system to the Statewide Voter Registration System.

City of Eau Claire Network

The Metro CINC Network was an ongoing project that has resulted in connections at the City of Eau Claire, Eau Claire County, L.E. Phillips Memorial Library, Sacred Heart Hospital, Luther Hospital, U-Health, Banbury Place, Mt. Tom, Chippewa Falls School District, CESA 10, and Chippewa County. Future connections are expected at UW-Eau Claire, and Eau Claire Areas Schools. The Metro CINC Network allows agencies and their vendors the ability to share applications and information over a secure, redundant, network infrastructure.

Sustainability/"Going Green"

The City initiated a two-prong approach concerning moving the City towards a more sustainable/green future. Staff formed a "Green Team" of City employees that will address what the City organization should do for energy savings and worked towards a draft policy concerning the community's standards for "going green".

Economic Development Loans

The City promoted business expansions through administering Revolving Loan Fund (RLF) loans, Business Development Fund loans (BDF), and Clearwater Development Fund loans. RLF funds in the amount of \$310,000 were used to help four local companies expand their operations and create up to 47 jobs. All four loans were issued to purchase higher quality equipment to produce high-technology products. Four BDF loans were approved for a total of \$576,667 for projects valued at \$6,780,000 and creating 109 jobs. The Clearwater Development Fund issued one loan of \$150,000 for the purchase of a \$450,000 building in downtown Eau Claire.

Minnesota Wire & Cable Building

The City completed the acquisition of the Minnesota Wire & Cable buildings on Oxford Avenue as part of an economic development assistance package and in preparation for a new Redevelopment District.

2007 Reassessment

The 2007 reassessment was completed in September. The reassessment included reviewing existing records, analyzing sales, and placing new values on approximately 25,000 real and personal property parcels.

Regional EMS

The City initiated a proposal for a regional approach to delivering Emergency Medical Service to neighboring communities.

Health Insurance

In the spring of 2007, the City faced a 57% premium increase, which, if accepted, would have resulted in an unbudgeted, mid-year additional expense of \$1,500,000. Working with Group Health, a local health insurance provider, the City was able to reduce the premium increase to 26% with changes to the benefit structure that emphasized wellness and consumer choice.

These changes to the health plan occurred in the middle of multi-year labor agreements for 6 of the 7 bargaining units. All bargaining units agreed to the changes in return for a one-year extension of their labor agreement with a 2% wage adjustment July 1, 2008 and $\frac{3}{4}$ % increase January 1, 2009.

Problem-Oriented Policing

The Patrol Division implemented a Problem-Oriented Policing (P.O.P.) model citywide. This philosophy, along with an internal structural change, allows the department to become more proactive within the community and engage neighborhoods in problem solving to respond to their needs in a more effective manner.

Wastewater Treatment Plant Facilities Plan

A Wastewater Treatment Plant Facilities Plan was completed. The purpose of the plan was to analyze the capacity and condition of the plant, make recommendations, and develop an implementation strategy.

FOR THE FUTURE

Although the City has allocated significant resources to fostering economic development and job diversification, the current and projected levy limits present a serious challenge for future development activities. The City hopes to work through public/private partnerships to formulate new models to generate tax valuation increases and new jobs.

FINANCIAL INFORMATION

Accounting System and Budgetary Control

The diverse nature of government operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several different fiscal and accounting entities, each having a separate set of accounts and functioning independently of each other. Each accounting entity is accounted for in a separate fund. A fund is defined as a fiscal accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Budgetary control is maintained through an annual budget ordinance passed by the City Council. Formal budgetary integration is employed as a management control device during the year for the General fund, Debt Service fund, and certain Special Revenue funds, and is adopted on a basis consistent with generally accepted accounting principles. Fixed, long-term budgets on a project basis are used for Capital Project funds. Flexible annual budgets are approved for proprietary funds to provide for financial management. The City Manager and Director of Finance may authorize transfers of budgeted amounts within departments; however, transfers between departments and additional appropriations to the original budget must be made by Council resolution. The level at which expenditures may not exceed budget is by department.

Internal Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Cash Management

The cash management program consists of two phases. The first phase is a contractual agreement with U.S. Bank for services. This contract specifies that the bank will pay interest on account balances based on the Target Fed Funds Rate.

The second phase is a long-term investment program. Funds that are available for 30 days or longer are diversified by security type, institution, and terms of maturity to reduce portfolio risk. With the exception of US Treasury securities and authorized pools, no more than 50 percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. The City will maintain at least 10 percent of its total investment portfolio in instruments maturing in 30 days or less.

Collateralization is required on all savings and demand deposits, non-negotiable Certificates of Deposits, and repurchase agreements. The following summary shows investment earnings and the average interest rate for the past five years.

<u>Year</u>	<u>Amount</u>	<u>Net Return</u>
2003	873,822	1.26%
2004	709,289	.99%
2005	1,856,756	2.57%
2006	3,161,680	3.73%
2007	3,996,238	4.45%

Risk Management

The City has joined other Wisconsin municipalities for liability insurance services. The City is one of 16 local governments that are members of Wisconsin Municipal Mutual Insurance Company (WMMIC) which has provided risk management and liability insurance services since January 1, 1988. Under this program, the City's self-insured retention is \$200,000 per occurrence to a maximum of \$400,000 per year. Transit Mutual Insurance Company of Wisconsin (TMICOW) consists of 18 municipalities, including the City, and provides auto liability coverage for property damage and bodily injury for Public Transit vehicles.

The objective of these programs is to protect the City against accidental losses, destruction, or depletion of its assets. The Risk Manager will review and award recommendations prior to payment by the insurance company. Judgment or award recommendations covered by WMMIC in excess of \$10,000 will be reviewed with the City Council prior to payment.

On January 1, 1992, the City of Eau Claire began self-insuring its primary exposure for workers' compensation. The City retains the first \$400,000 per accident and excess coverage is purchased from WMMIC.

INDEPENDENT AUDIT

Included in the financial section is the independent auditor's report which is a significant part of the Comprehensive Annual Financial Report (CAFR). In this report, Virchow, Krause & Company, LLP, Certified Public Accountants, express their opinion that the financial statements are presented fairly in conformity with generally accepted accounting principles and comment on the scope of the examination. The opinion is unqualified and signifies a substantial level of achievement. Compliance audits of the City's federal and state financial assistance programs for the year ending December 31, 2007 were also completed by the independent auditors. These reports are available under separate cover.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Immediately following the independent auditor's report is *Management's Discussion and Analysis* which provides a narrative introduction, overview, and analysis of the basic financial statements.

REPORTING ACHIEVEMENT

GFOA Certificate of Achievement

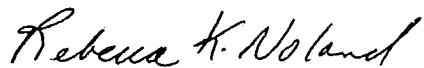
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eau Claire for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. The City has received this award each year since 1984. In order to receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

We would like to thank the City Council for their support in planning and conducting the financial operations of the City in a responsible manner. In addition, we would also like to express our appreciation to Tom Hoff, Financial Services Manager, Kathy Ludack, Accounting Supervisor, Clint Breed, Senior Accountant, Rose Adams, Accountant, and the remainder of the Finance Department Staff for their dedication in preparing this report.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Rebecca K. Noland".

Rebecca K. Noland, CPA

Finance Director

A handwritten signature in cursive script that reads "Mike Huggins".

Mike Huggins

City Manager

The Government Finance Officers Association of United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Eau Claire, Wisconsin for its comprehensive annual financial report for the fiscal year ended December 31, 2006. This was the twenty-first consecutive year that the government has achieved this prestigious award.

In order to be awarded a *Certificate of Achievement*, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both the generally accepted accounting principles and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Eau Claire
Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Enen

Executive Director

FINANCIAL SECTION

This section contains the following subsections:

- Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Combining and Individual Fund Statements and Schedules

Auditors' Report

Independent audits of local government financial statements are essential elements of financial control and accountability.

The local government is responsible for the contents of its financial statements, including the notes to the financial statements. The independent auditors' responsibility is to report on the financial statements.



INDEPENDENT AUDITORS' REPORT

To the City Council
City of Eau Claire
Eau Claire, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the City's 2006 financial statements and, in our report dated June 22, 2007, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Eau Claire, Wisconsin, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2008 on our consideration of the City of Eau Claire's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City Council
Eau Claire, Wisconsin

The management's discussion and analysis and budgetary comparison information on pages 16 through 27 and pages 113 and 114 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 2007 combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2007 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Eau Claire's basic financial statements for the year ended December 31, 2006, which are not presented with the accompanying financial statements. In our report dated June 22, 2007, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. In our opinion, the 2006 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2006, taken as a whole.

The "Letter of Transmittal" and "Statistical Section" listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Eau Claire, Wisconsin. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on such information.

Vicki K. Kuman & Company LLP

July 17, 2008

Management's Discussion and Analysis

Management's discussion and analysis provides a narrative introduction and overview the readers need to interpret the basic financial statements. It also provides analysis of some key data presented in the financial statements.

CITY OF EAU CLAIRE, WISCONSIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of the financial performance of the City of Eau Claire is intended to provide an overview of the City's financial activities for the fiscal year ended December 31, 2007. Readers are encouraged to consider the information presented here in conjunction with additional information as furnished in the letter of transmittal and the financial statements, which begin on page 28.

FINANCIAL HIGHLIGHTS

- The City of Eau Claire has total assets of \$422 million and liabilities of \$135 million, resulting in net assets of \$286 million at the end of 2007. Of the net assets, \$206.5 million represents the City's investment in capital assets, net of related debt, \$22.5 million is held for restricted purposes, and \$57 million is available to meet the City's ongoing obligations to its citizens and creditors.
- During 2007, the City of Eau Claire's total net assets increased by \$8.5 million, or approximately 3.1%. The increase was attributable to the governmental activities of the City, primarily related to infrastructure in the TIF districts.
- At the close of 2007, the City of Eau Claire's governmental funds reported ending fund balances of \$48.5 million, a net increase of \$5.2 million from 2006. The capital funds, primarily Streets and Building and Equipment, contributed \$5.9 million to the net increase. The General Fund balance was reduced by \$.5 million. In the Special Revenue Funds, the Economic Development fund decreased by \$1.1 million. The net reduction in the Special Revenue funds was \$.9 million. The Debt Service fund balance increased by \$.6 million.
- During 2007, the City of Eau Claire continued a proactive plan for the replacement of aging infrastructure, the upgrade of technology used in operations, and the improvement of utility services. The City invested more than \$21 million in upgrading infrastructure systems and other capital assets.
- Wisconsin statute restricts municipality general obligation debt to less than 5% of equalized property value. The City of Eau Claire maintained a level of remaining debt capacity of approximately 70.5%. In 2007, \$23.1 million in new general obligation debt was issued, which included \$12.2 million in refunding debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section serves as an introduction to the City of Eau Claire's basic financial statements. The basic financial statements for the City of Eau Claire are comprised of three components:

- government-wide financial statements,
- fund financial statements, and
- notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The two government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to private-sector business entities. The *Statement of Net Assets* presents information on all of the City of Eau Claire's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The City's overall financial position improved from 2006 to 2007; the City's net assets increased by \$8.5 million with the majority of the increase generated by the City's business-type activities, and in particular, by the Water, Sewer and Storm Water utilities. The government-wide financial statements can be found on pages 28 through 30 of this report.

Both of the government-wide financial statements distinguish those functions of the municipality that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all, or a significant portion, of their costs through user fees and services charges, called business-type activities. The governmental activities of the City of Eau Claire include general government, public safety, public works, health services, culture and recreation, development, and other miscellaneous activities. The business-type activities of the City include the water, sewer, storm water, and parking utilities, public transit, the ice center, and the outdoor pool.

In addition to these various direct operations of the City, or primary government, the government-wide financial statements also include financial information related to legally distinct entities for which the City has financial responsibility and accountability, known as component units. These component units are the Housing Authority, Redevelopment Authority, the Downtown Business Improvement District, the West Grand Business Improvement District, the Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District. These entities are

described in Note III-I following the financial statements. Separately issued financial statements of the Housing Authority and the Redevelopment Authority may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Eau Claire, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with various finance-related legal requirements. Some funds are required by law, while others are established internally to maintain control over a particular activity. All of the funds of the City of Eau Claire can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of current spendable resources, as well as balances of spendable resources that can be converted to cash and balances available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Governmental funds include the General, special revenue, capital projects, and debt service funds. Of these, the General fund and the Debt Service fund are shown as major funds and are presented in separate columns. Data from the other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Reconciliations follow the *Balance Sheet-Governmental Funds* and *Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds*. The reconciliations show the adjustments that are needed to convert the governmental funds financial statements to the government-wide *Statement of Net Assets and Statement of Activities*.

Proprietary Funds

Proprietary funds maintained by the City of Eau Claire are of two different types: enterprise funds and internal service funds. Enterprise funds are used to report those functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for activities that provide supplies and services to the general public. Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The City's fund financial statements present separate enterprise fund information for the Water, Sewer, and Storm Water utilities and the Transit fund; data from the other proprietary funds are combined into a single column for aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements

elsewhere in this report. The proprietary fund financial statements begin on page 36 of this report.

Internal service funds are used to account for enterprise-like operations that provide services, on a user fee basis, primarily or exclusively to departmental customers within the governmental entity itself, rather than to external customers. The City of Eau Claire uses internal service funds to account for its risk management and central equipment functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Detail about each fund may be found in the supplementary information section beginning on page 150.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City of Eau Claire uses a fiduciary fund to account for taxes collected for the benefit of overlapping tax jurisdictions. The Tax Collections fiduciary fund is not reflected in the government-wide financial statements because the resources of the fund are not available to support the programs of the City of Eau Claire. The accounting for the Tax Collection fund is similar to that used for proprietary funds. The fiduciary fund financial statement can be found on page 46 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional detail that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 49 of this report.

Additional Supplementary Information

Following the basic government-wide and fund financial statements and accompanying notes, combining statements are included for the non-major governmental, enterprise, and internal service funds, along with component units. The last section of *The City of Eau Claire Comprehensive Annual Financial Report* presents statistical and historical reference data.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The *Statement of Net Assets* for the City of Eau Claire is summarized in the table below. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$286 million at the close of 2007. The majority of these net assets (\$211 million) reflect the City's investment in capital assets, including land, land improvements, buildings, machinery and equipment, infrastructure, and construction in progress, net of depreciation. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

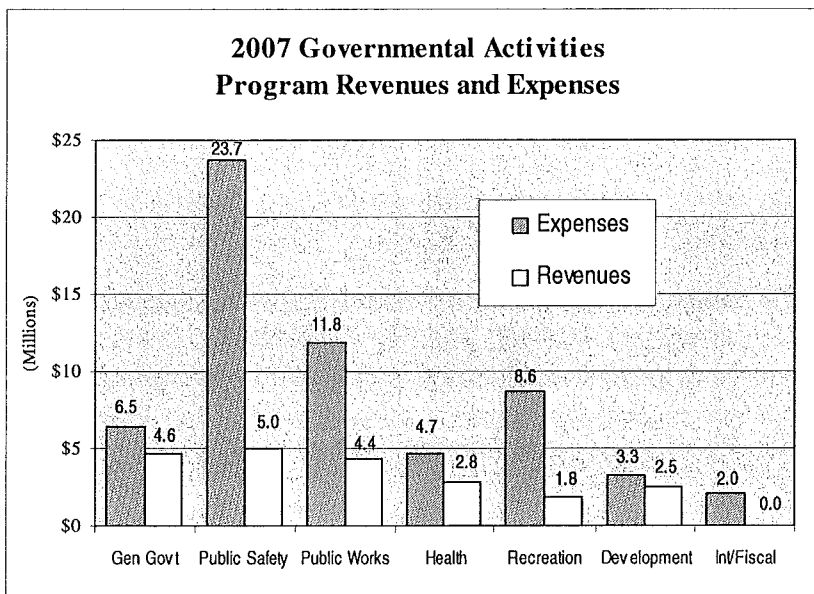
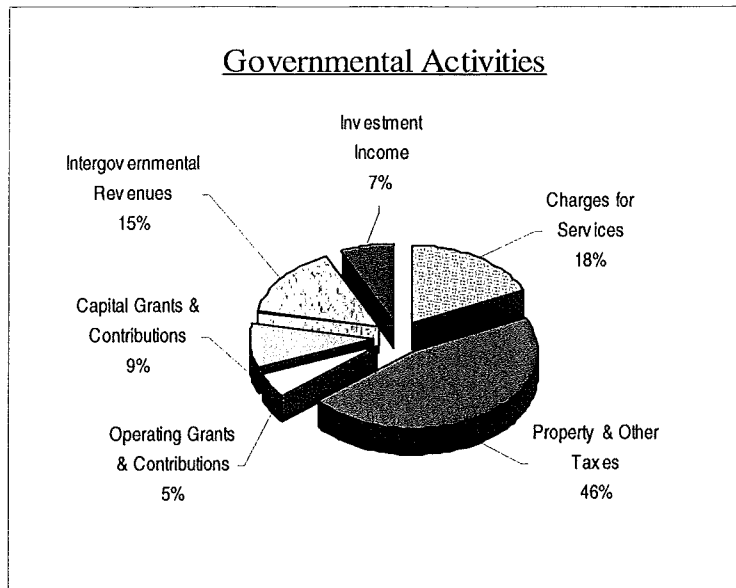
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		Total	Total
	2007	2006	2007	2006	2007	2006
Current and Other Assets	\$ 115,818,291	\$ 107,171,163	\$ 25,417,142	\$ 20,458,168	\$ 141,235,433	\$ 127,629,331
Capital Assets (net)	125,789,266	127,613,832	154,607,067	149,617,336	280,396,333	277,231,168
Total Assets	<u>\$ 241,607,557</u>	<u>\$ 234,784,995</u>	<u>\$ 180,024,209</u>	<u>\$ 170,075,504</u>	<u>\$ 421,631,766</u>	<u>\$ 404,860,499</u>
Current Liabilities	\$ 35,361,575	\$ 34,258,565	\$ 1,479,094	\$ 2,129,068	\$ 36,840,669	\$ 36,387,633
Noncurrent Liabilities	72,502,184	67,001,304	26,055,609	23,742,892	98,557,793	90,744,196
Total Liabilities	<u>\$ 107,863,759</u>	<u>\$ 101,259,869</u>	<u>\$ 27,534,703</u>	<u>\$ 25,871,960</u>	<u>\$ 135,398,462</u>	<u>\$ 127,131,829</u>
Invested in capital assets, net of related debt	\$ 80,130,519	\$ 81,381,844	\$ 131,320,732	\$ 127,757,415	\$ 211,451,251	\$ 209,139,259
Debt reclassification	-	-	-	-	-	(1,214,316)
Total invested in capital	<u>80,130,519</u>	<u>81,381,844</u>	<u>131,320,732</u>	<u>127,757,415</u>	<u>211,451,251</u>	<u>207,924,943</u>
Restricted	19,993,642	19,613,325	2,683,138	2,379,744	22,676,780	21,993,069
Unrestricted	33,619,637	32,529,957	18,485,636	14,066,385	52,105,273	46,596,342
Debt reclassification	-	-	-	-	-	1,214,316
Total unrestricted	<u>33,619,637</u>	<u>32,529,957</u>	<u>18,485,636</u>	<u>14,066,385</u>	<u>52,105,273</u>	<u>47,810,658</u>
Total Net Assets	<u>\$ 133,743,798</u>	<u>\$ 133,525,126</u>	<u>\$ 152,489,506</u>	<u>\$ 144,203,544</u>	<u>\$ 286,233,304</u>	<u>\$ 277,728,670</u>
Total Net Assets as a % of Total Liabilities	124%	132%	554%	557%	211%	218%
Unrestricted Net Assets as a % of Total Liabilities	31%	32%	67%	54%	38%	38%

A relatively small portion of the City's net assets (\$23 million or 8%) represents resources that are subject to other restrictions as to how they may be used. The remaining \$52 million of total net assets may be used to meet the City's ongoing obligations to its citizens and creditors. It is important to note that \$18 million, or about 35%, of these unrestricted net assets are related to the City's business-type activities. Consequently, they generally may not be used to fund governmental activities. At the end of 2007, the City is able to report positive balances in net assets for the governmental activities as well as business-type activities.

An examination of the *Statement of Activities* provides a concise picture of how the various activities of the City are funded. The following table summarizes the City's governmental and business-type activities.

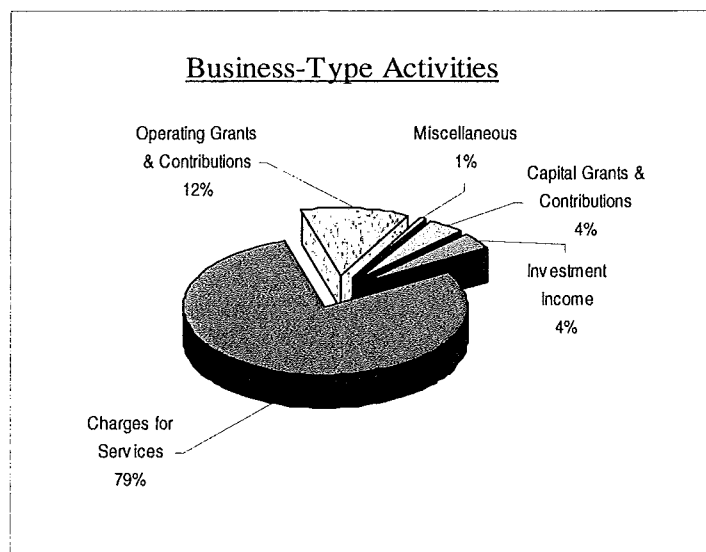
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	<u>Total</u>
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	\$ 11,696,636	\$ 10,865,293	\$ 18,476,525	\$ 17,736,305	\$ 30,173,161	\$ 28,601,598
Operating grants & contributions	3,361,503	2,402,574	2,839,769	2,711,846	6,201,272	5,114,420
Capital grants & contributions	6,066,457	6,096,962	941,104	1,588,206	7,007,561	7,685,168
General revenues:						
Property taxes	28,370,520	27,293,306	-	-	28,370,520	27,293,306
Other taxes	1,556,858	1,416,441	-	-	1,556,858	1,416,441
Intergovernmental revenues	9,463,185	9,390,895	-	-	9,463,185	9,390,895
Investment income	4,639,329	4,167,233	1,046,523	806,542	5,685,852	4,973,775
Miscellaneous	79,793	145,314	259,062	267,438	338,855	412,752
Total revenues	65,234,281	61,778,018	23,562,983	23,110,337	88,797,264	84,888,355
Expenses						
Program expenses:						
General government	6,464,010	6,493,902	-	-	6,464,010	6,493,902
Public safety	23,743,952	23,034,101	-	-	23,743,952	23,034,101
Public works	11,819,122	11,316,945	-	-	11,819,122	11,316,945
Health services	4,677,429	4,436,211	-	-	4,677,429	4,436,211
Culture and recreation	8,646,899	8,105,219	-	-	8,646,899	8,105,219
Development	3,281,340	2,359,672	-	-	3,281,340	2,359,672
Miscellaneous	-	-	-	-	-	-
Interest & fiscal charges	2,046,007	2,106,598	-	-	2,046,007	2,106,598
Water utility	-	-	5,787,761	5,439,753	5,787,761	5,439,753
Sewer utility	-	-	5,476,435	5,558,045	5,476,435	5,558,045
Storm water utility	-	-	2,066,896	2,064,283	2,066,896	2,064,283
Public transit	-	-	4,864,830	4,770,055	4,864,830	4,770,055
Parking utility	-	-	454,931	445,732	454,931	445,732
Hobbs ice center	-	-	589,633	621,290	589,633	621,290
Outdoor pool	-	-	373,385	354,369	373,385	354,369
Total expenses	60,678,759	57,852,648	19,613,871	19,253,527	80,292,630	77,106,175
Increase in net assets before transfers	4,555,522	3,925,370	3,949,112	3,856,810	8,504,634	7,782,180
Transfers	(4,336,850)	146,418	4,336,850	(146,418)	-	-
Change in net assets	218,672	4,071,788	8,285,962	3,710,392	8,504,634	7,782,180
Net assets at January 1 (as restated)	133,525,126	129,453,338	144,203,544	140,493,152	277,728,670	269,946,490
Net assets at December 31	\$133,743,798	\$133,525,126	\$152,489,506	\$144,203,544	286,233,304	277,728,670

The chart on the right illustrates how governmental activities are funded. Taxes, primarily real and personal property, but also room taxes and payments-in-lieu of taxes, provide about 46% of the revenue for governmental activities. State aids and other grants comprise another 29% while charges for services and all other sources are equal to 25% of revenues.



Another way to analyze the data in the *Statement of Activities* is to compare expenses of a particular program with revenues generated. The graph on the left reflects this comparison for 2007 governmental activities.

Business-type activities depend on charges for services as their primary revenue sources. As indicated in the graph on the right, 79% of revenues are generated from user charges.



FINANCIAL ANALYSIS OF THE CITY'S MAJOR FUNDS

Governmental Funds

The focus of the City's governmental funds is to provide information regarding near-term inflows, outflows, and spendable resources. Such information can be useful in assessing the City's financing requirements.

As of December 31, 2007, the City of Eau Claire's *Balance Sheet - Governmental Funds* reported combined ending fund balances of \$48.5 million, an increase of \$5.2 million over the previous year's ending balances. Of the ending fund balances total, \$20.2 million is reserved for specific legal requirements and other commitments, leaving total unreserved governmental fund balances of \$28.3 million available for meeting future budget requirements. Of these unreserved balances, \$23.7 million has been segregated or otherwise designated for specific uses, leaving an unreserved, undesignated fund balance of \$4.6 million which is in the General fund.

The General fund is the primary operating fund used to account for the governmental operations of the City of Eau Claire. The largest revenue sources for the General fund are taxes and intergovernmental aids, together accounting for 78.6% of revenues. Public safety, public works, and culture and recreation are the primary operations of the General fund. Over 56% of the General fund expenditures of \$41.6 million are allocated to the public safety sector. Another 29% of the General fund costs are derived from the operations of public works and culture and recreation.

The General fund has a fund balance of \$14.8 million. Of this amount, \$4.4 million is reserved for loans made to the utilities, prepayments and notes receivable. Another \$5.7 million is designated for subsequent year expenditures and working capital. The undesignated General fund balance is \$4.6 million. The undesignated fund balance is available to be applied in a future year's budget to one-time capital projects or to reduce outstanding debt.

The Debt Service fund had a total fund balance of \$7.4 million, an increase of \$.6 million from 2006. This balance primarily reflects the amounts reserved to pay debt service on special assessment bond issues and has accumulated from the prepayment of special assessments by property owners.

The Other Governmental Funds column in the balance sheet includes various special revenue, debt service, and capital projects funds used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The total accumulated fund balances of these funds increased by \$5 million during 2007, primarily due to the increase in capital project funds, Streets and Building and Equipment in particular.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail. The detail of the City's proprietary funds can be found from page 36 to page 45. The net assets of the enterprise-type proprietary funds at the end of 2007 totaled \$152.5 million, an increase of \$8.3 million from the previous year.

Some highlights:

- The Water, Sewer, and Storm Water funds transferred \$1,653,278 to the General fund and the General fund transferred \$1,244,148 to the Parking, Transit, Hobbs, and Pool funds. After transfers, the enterprise funds had collective net income of \$2.6 million, primarily generated by the Water, Sewer, and Storm Water funds.
- Community Enhancement transferred \$40,800 to Hobbs.
- In 2007, \$5.2 million of the increase in the enterprise funds net assets resulted from developer infrastructure contributions to the Water, Sewer, and Storm Water Utilities.
- The Public Transit fund is subsidized by federal and state operating assistance at approximately 59%. The balance is covered by local fares and General fund transfers to the service. The Public Transit fund shows a loss of \$.5 million since depreciation expenses are not covered by General fund subsidies.

GENERAL FUND BUDGETARY HIGHLIGHTS

As shown in the *Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund* on page 113, the original 2007 General fund budget authorized expenditures and other financing uses of \$49,104,900, funded by anticipated revenues and other financing sources of \$46,257,300 and the application of \$2,847,600 of available reserves. From time to time during the year, the City Council approved adjustments to the budget, primarily for grants and donations. These changes are reflected in the Final Budget column.

The City ended the year with net favorable variances. Revenues and other financing sources exceeded the final budget by \$1,177,690, while expenditures and other financing uses were under budget by \$1,916,310. The major component of the positive revenue variance was investment income, which exceeded budget by \$605,881.

Almost all revenue sources experienced minor variances. Permits and Licenses were \$104,394 over budget and Charges for Services exceeded the budget estimates by \$282,589. Fines and Forfeitures exceeded budget estimates by \$165,185. The City also realized \$9,249 more than budgeted from the sale of assets.

Several factors contributed to the favorable expenditure variance. About 53%, or \$1,025,000, can be attributed to balances remaining in various contingency accounts set up to smooth the budget reductions. The accounts included an implementation reserve balance of \$300,000, a transition balance of \$400,000, a general contingency of \$200,000, and a Hastings Way maintenance reserve of \$125,000. Improved operations in the cemeteries, public transit, the ice center and the pool resulted in General fund subsidy savings of \$320,284. The remaining variances equal about 1% of the budget, distributed throughout the General fund operations.

CAPITAL ASSETS AND DEBT

Capital Assets

In accordance with the implementation requirements of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of its capital assets, including infrastructure. As summarized in the table below, the City's reported investment in capital assets for governmental and business-type activities as of December 31, 2007 totaled over \$418 million. These assets include the street network in the governmental activities and the water, sewer, and storm systems in the business-type activities.

Total accumulated depreciation was calculated to be just under \$138 million, or approximately 33% of the historical asset cost. Net of accumulated depreciation; the City's investment in capital assets is more than \$280 million, a net increase of \$3.2 million over 2006.

City of Eau Claire, Wisconsin						
Capital Assets, Net of Accumulated Depreciation						
December 31, 2007						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	2007	2006	2007	2006	2007	2006
Land	\$ 15,556,998	\$ 15,067,676	\$ 15,755,446	\$ 15,760,862	\$ 31,312,444	\$ 30,828,538
Land Improvements	9,033,439	5,103,758	-	-	9,033,439	5,103,758
Building and Improvements	19,836,824	19,087,084	6,661,444	6,661,444	26,498,268	25,748,528
Infrastructure	126,327,388	118,673,874	3,426,897	3,004,392	129,754,285	121,678,266
Machinery and Equipment	25,933,632	25,086,903	5,802,707	5,802,707	31,736,339	30,889,610
Water Utility	-	-	71,258,763	67,770,678	71,258,763	67,770,678
Sewer Utility	-	-	69,470,967	64,419,604	69,470,967	64,419,604
Stormwater Utility	-	-	38,883,742	35,008,294	38,883,742	35,008,294
Work in Progress	6,598,017	16,511,989	3,601,388	7,441,312	10,199,405	23,953,301
Subtotal	203,286,298	199,531,284	214,861,354	205,869,293	418,147,652	405,400,577
Less Accumulated Dep.	(77,497,032)	(71,917,452)	(60,254,287)	(56,251,957)	(137,751,319)	(128,169,409)
Total	<u>\$ 125,789,266</u>	<u>\$ 127,613,832</u>	<u>\$ 154,607,067</u>	<u>\$ 149,617,336</u>	<u>\$ 280,396,333</u>	<u>\$ 277,231,168</u>

Some of the most significant additions to the City's capital assets during 2007 included the following:

<u>Significant Additions to Capital Assets in 2007</u>	
Stormwater Mains	\$3,900,000
Infrastructure	8,100,000
Water Mains and Services	3,400,000
Sewer Mains	3,900,000
Total	<u>\$ 19,300,000</u>

Additional information about the City's capital assets can be found in Note III-D of this report.

Long-Term Debt

On December 31, 2007, the City of Eau Claire had \$80,223,214 of bond and long-term note principal outstanding, as summarized in the following table:

City of Eau Claire, Wisconsin Notes and Bonds Outstanding

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation						
Bonds & Notes	\$ 54,550,773	\$ 49,676,492	\$ 15,387,441	\$ 13,900,562	\$ 69,938,214	\$ 63,577,054
Revenue Bonds	-	-	10,285,000	9,460,000	10,285,000	9,460,000
Total	<u>\$ 54,550,773</u>	<u>\$ 49,676,492</u>	<u>\$ 25,672,441</u>	<u>\$ 23,360,562</u>	<u>\$ 80,223,214</u>	<u>\$ 73,037,054</u>

Under Wisconsin State Statute Section 67.03(1), the outstanding general obligation long-term debt of a municipality may not exceed 5% of the equalized property value of all taxable property within the jurisdiction. Applicable debt of the City at the close of 2007 totaled \$69,938,214, which, with amounts available for payment of principal, is less than 29% of the maximum legal limit.

During 2007, the City issued new debt for the following amounts and purposes:

City of Eau Claire, Wisconsin
Long-term Debt Issued

<u>Date</u>	<u>Type of Debt</u>	<u>Amount</u>
05/01/2007	General Obligation Corporate Purpose Bonds for streets, stormwater, TIF #8, fire equipment and public safety design	\$10,940,000
05/01/2007	General Obligation Refunding Bonds	\$12,210,000
05/01/2007	Waterworks System Mortgage Revenue Bonds	\$2,000,000

The General Obligation Corporate Purpose and Refunding Bonds were rated Aa2 by Moody's Investors Service and AA by Standard & Poor's Ratings Services. The Waterworks System Mortgage Revenue Bonds were rated Aa3 by Moody's Investors Service and AA by Standard & Poor's Rating Services.

Additional information about the City's long-term debt can be found in Note III-F of this report.

CURRENTLY KNOWN FACTS

For 2008 and future years, the City is subject to state-imposed levy limits. For the 2008 budget, the permitted increase was 2.296%. For 2009, the permitted increase is not expected to exceed 2%. Negligible changes are expected in state aids in 2008 and 2009. However, wage and benefit increases, utility costs, and public safety issues are projected to exceed the available revenues, resulting in continuous pressure for further service reductions or new sources of revenue for the 2009 budget.

In June 2008, Standard & Poor's increased the City's general obligation bond rating from AA to AA+, citing the City's "development and diversification of the employment base, as well as very strong financial performance supported by strong financial management practices."

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. As in the past, the City of Eau Claire provides the Comprehensive Annual Financial Report on our web page (ci.eau-claire.wi.us). If anyone has any questions about this report or needs additional financial information about the City of Eau Claire, please contact the Finance Department at 203 South Farwell Street, Eau Claire, Wisconsin, 54703. Finance Department staff can also be reached at (715) 839-6044.

Basic Financial Statements

The basic financial statements include all fund types, including discrete presentation of two enterprise fund type component units and three governmental type component units, in order to provide an overview of the financial position and results of operations for the City as a whole.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS

December 31, 2007

(With Comparative Reporting Entity Totals for December 31, 2006)

	Primary Government					Totals	
	Governmental Activities	Business- type Activities	Debt Reclassifications	Totals	Component Units	Reporting Entity	
						2007	2006
ASSETS							
Cash and investments	\$ 56,113,337	\$ 18,721,012	\$ -	\$ 74,834,349	\$ 3,764,490	\$ 78,598,839	\$ 70,574,514
Taxes receivable	31,863,648	821,273	-	32,684,921	151,500	32,836,421	30,784,871
Special assessments receivable	5,934,441	1,568,289	-	7,502,730	-	7,502,730	7,605,433
Notes receivable, net	6,748,260	-	-	6,748,260	601,111	7,349,371	6,316,469
Accounts receivable, net	2,007,933	3,472,510	-	5,480,443	8,997	5,489,440	4,713,383
Interest receivable	574,779	-	-	574,779	-	574,779	623,046
Due from other governments	1,380,500	280,087	-	1,660,587	-	1,660,587	2,606,844
Due from primary government	-	-	-	-	38,249	38,249	25,449
Internal balances	4,882,302	(4,882,302)	-	-	-	-	-
Prepaid items and inventories	628,177	150,640	-	778,817	62,843	841,660	667,404
Restricted cash and investments	4,620,693	5,109,087	-	9,729,780	1,049,573	10,779,353	7,818,369
Deposit in insurance pools	766,496	-	-	766,496	-	766,496	766,496
Debt issuance costs	297,725	176,546	-	474,271	-	474,271	331,516
Property held for resale	-	-	-	-	1,931,274	1,931,274	3,535,860
Capital assets							
Construction in progress	6,598,017	3,601,388	-	10,199,405	220,583	10,419,988	23,957,806
Land	15,556,998	15,755,446	-	31,312,444	1,333,899	32,646,343	32,151,937
Other capital assets, net of depreciation	103,634,251	135,250,233	-	238,884,484	10,196,070	249,080,554	232,798,069
Total Assets	241,607,557	180,024,209	-	421,631,766	19,358,589	440,990,355	425,277,466
LIABILITIES							
Accounts payable and accrued expenses	2,586,575	861,864	-	3,448,439	197,060	3,645,499	5,047,693
Accrued liabilities	2,187,373	634,681	-	2,822,054	28,886	2,850,940	2,684,310
Customer deposits	313,906	31,201	-	345,107	-	345,107	426,642
Due to other governments	83,287	2,862	-	86,149	-	86,149	52,357
Due to component unit	38,249	-	-	38,249	-	38,249	25,449
Unearned revenues	29,900,533	-	-	29,900,533	162,627	30,063,160	28,263,281
Deferred amount on refunding	(201,901)	(159,194)	-	(361,095)	-	(361,095)	(61,738)
Unamortized premium	453,553	107,680	-	561,233	-	561,233	332,873
Noncurrent liabilities							
Due within one year	7,750,294	2,397,752	-	10,148,046	400,436	10,548,482	10,275,196
Due in more than one year	64,751,890	23,657,857	-	88,409,747	1,490,550	89,900,297	82,698,941
Total Liabilities	107,863,759	27,534,703	-	135,398,462	2,279,559	137,678,021	129,745,004
NET ASSETS							
Invested in capital assets, net of related debt	80,130,519	131,320,732	(4,924,763)	206,526,488	11,833,039	218,359,527	220,954,493
Restricted for:							
Deposits	1,043,267	-	-	1,043,267	-	1,043,267	1,008,374
Unspent grant proceeds	335,574	-	-	335,574	-	335,574	462,335
New loans	1,760,261	-	-	1,760,261	-	1,760,261	1,777,941
RCU agreement	346,392	-	-	346,392	-	346,392	337,285
Debt service payments	16,508,148	1,890,138	-	18,398,286	-	18,398,286	17,634,134
Equipment replacement	-	793,000	-	793,000	933,975	1,726,975	1,915,201
Development costs	-	-	-	-	114,234	114,234	113,464
Taxes	-	-	-	-	1,364	1,364	851
Unrestricted	33,619,637	18,485,636	4,924,763	57,030,036	4,196,418	61,226,454	51,328,384
TOTAL NET ASSETS	\$ 133,743,798	\$ 152,489,506	\$ -	\$ 286,233,304	\$ 17,079,030	\$303,312,334	\$ 295,532,462

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

(With Comparative Reporting Entity Totals for the Year Ended December 31, 2006)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 6,464,010	\$ 3,014,682	\$ 12,416	\$ 1,619,901
Public safety	23,743,952	3,777,133	1,091,291	131,896
Public works	11,819,122	258,474	-	4,098,276
Health services	4,677,429	1,817,621	984,965	-
Culture and recreation	8,646,899	1,595,776	31,370	216,384
Development	3,281,340	1,232,950	1,241,461	-
Interest and fiscal charges	2,046,007	-	-	-
Total Governmental Activities	60,678,759	11,696,636	3,361,503	6,066,457
Business-type Activities				
Water Utility	5,787,761	8,100,296	-	492,431
Sewer Utility	5,476,435	6,266,314	-	357,700
Storm Water Utility	2,066,896	2,677,207	-	90,973
Public Transit	4,864,830	552,510	2,839,769	-
Parking Utility	454,931	214,184	-	-
Hobbs Ice Center	589,633	452,511	-	-
Outdoor Pool	373,385	213,503	-	-
Total Business-type Activities	19,613,871	18,476,525	2,839,769	941,104
Total Primary Government	\$ 80,292,630	\$ 30,173,161	\$ 6,201,272	\$ 7,007,561
Component Units				
Housing Authority	\$ 3,499,935	\$ 828,417	\$ 2,555,429	\$ 328,578
Redevelopment Authority	1,515,134	-	-	96,924
Downtown Business Improvement District	64,006	-	-	-
West Grand Business Improvement District	9,768	-	-	-
Water Street Business Improvement District	6,340	-	-	-
North Barstow Business Improvement District	5,091	-	-	-
Total Component Units	\$ 5,100,274	\$ 828,417	\$ 2,555,429	\$ 425,502
General Revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Other taxes				
Intergovernmental revenues not restricted to specific programs				
Investment income				
Gain on sale of capital assets				
Contributions from city				
Miscellaneous				
Total General Revenues				
Transfers				
Change in Net Assets				
NET ASSETS - Beginning of Year				
NET ASSETS - END OF YEAR				

Net (Expenses) Revenues and Changes in Net Assets					
Governmental Activities	Business-type Activities	Totals	Component Units	Totals	
		Primary Government		Reporting Entity	
				2007	2006
\$ (1,817,011)	\$ -	\$ (1,817,011)	\$ -	\$ (1,817,011)	\$ (1,217,909)
(18,743,632)	-	(18,743,632)	-	(18,743,632)	(18,903,477)
(7,462,372)	-	(7,462,372)	-	(7,462,372)	(7,950,786)
(1,874,843)	-	(1,874,843)	-	(1,874,843)	(1,771,008)
(6,803,369)	-	(6,803,369)	-	(6,803,369)	(5,727,272)
(806,929)	-	(806,929)	-	(806,929)	(810,769)
(2,046,007)	-	(2,046,007)	-	(2,046,007)	(2,106,598)
(39,554,163)	-	(39,554,163)	-	(39,554,163)	(38,487,819)
-	2,804,966	2,804,966	-	2,804,966	2,702,947
-	1,147,579	1,147,579	-	1,147,579	1,249,053
-	701,284	701,284	-	701,284	902,002
-	(1,472,551)	(1,472,551)	-	(1,472,551)	(1,530,743)
-	(240,747)	(240,747)	-	(240,747)	(218,667)
-	(137,122)	(137,122)	-	(137,122)	(178,149)
-	(159,882)	(159,882)	-	(159,882)	(143,613)
-	2,643,527	2,643,527	-	2,643,527	2,782,830
(39,554,163)	2,643,527	(36,910,636)	-	(36,910,636)	(35,704,989)
-	-	-	212,489	212,489	(206,423)
-	-	-	(1,418,210)	(1,418,210)	(43,253)
-	-	-	(64,006)	(64,006)	(60,056)
-	-	-	(9,768)	(9,768)	(10,705)
-	-	-	(6,340)	(6,340)	(6,337)
-	-	-	(5,091)	(5,091)	(5,500)
-	-	-	(1,290,926)	(1,290,926)	(332,274)
25,313,539	-	25,313,539	150,500	25,464,039	24,503,239
3,056,981	-	3,056,981	-	3,056,981	2,930,767
1,556,858	-	1,556,858	-	1,556,858	1,416,441
9,463,185	-	9,463,185	-	9,463,185	9,390,895
4,639,329	1,046,523	5,685,852	136,929	5,822,781	5,101,599
65,420	-	65,420	76,315	141,735	42,997
-	-	-	200,000	200,000	-
14,373	259,062	273,435	2,420	275,855	390,968
44,109,685	1,305,585	45,415,270	566,164	45,981,434	43,776,906
(4,336,850)	4,336,850	-	-	-	-
218,672	8,285,962	8,504,634	(724,762)	7,779,872	7,739,643
133,525,126	144,203,544	277,728,670	17,803,792	295,532,462	287,792,819
\$ 133,743,798	\$ 152,489,506	\$ 286,233,304	\$ 17,079,030	\$ 303,312,334	\$ 295,532,462

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2007

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 10,353,264	\$ 7,378,263	\$ 23,464,104	\$ 41,195,631
Receivables				
Taxes	24,488,703	1,709,049	5,532,824	31,730,576
Delinquent personal property taxes	133,072	-	-	133,072
Accounts, net	1,774,556	43,552	489,115	2,307,223
Notes, net	25,000	-	6,723,260	6,748,260
Special assessments	8,991	5,914,469	10,981	5,934,441
Interest	574,779	-	-	574,779
Prepaid items and inventories	97,431	-	67,570	165,001
Due from other funds	209,086	-	-	209,086
Due from other governments	274,738	-	1,095,251	1,369,989
Restricted assets - cash and investments	-	-	4,370,693	4,370,693
Advances to other funds	4,813,519	-	-	4,813,519
TOTAL ASSETS	\$ 42,753,139	\$ 15,045,333	\$ 41,753,798	\$ 99,552,270
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 484,926	\$ 1,420	\$ 1,805,566	\$ 2,291,912
Accrued liabilities	1,176,422	-	260,217	1,436,639
Deposits	308,133	-	5,773	313,906
Due to other governments	10,722	-	72,565	83,287
Due to other funds	-	-	74,021	74,021
Due to component unit	10,405	-	27,844	38,249
Deferred revenues	25,989,989	7,667,070	13,105,683	46,762,742
Total Liabilities	<u>27,980,597</u>	<u>7,668,490</u>	<u>15,351,669</u>	<u>51,000,756</u>
Fund Balances				
Reserved				
Notes receivable	25,000	-	-	25,000
Prepaid items and inventories	97,431	-	67,570	165,001
Advances to other funds (noncurrent portion)	4,289,676	-	-	4,289,676
Grant proceeds	-	-	353,220	353,220
Debt service	-	7,376,843	1,893,102	9,269,945
Capital contracts	-	-	1,567,726	1,567,726
Environmental remediation	-	-	346,392	346,392
Bond construction	-	-	4,218,915	4,218,915
Unreserved, designated	5,721,632	-	-	5,721,632
Unreserved, undesignated	4,638,803	-	-	4,638,803
Unreserved, designated reported in nonmajor funds				
Special revenue funds	-	-	5,562,633	5,562,633
Debt service funds	-	-	233,800	233,800
Capital project funds	-	-	12,158,771	12,158,771
Total Fund Balances	<u>14,772,542</u>	<u>7,376,843</u>	<u>26,402,129</u>	<u>48,551,514</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 42,753,139	\$ 15,045,333	\$ 41,753,798	\$ 99,552,270

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

December 31, 2007

Total fund balance - governmental funds	\$ 48,551,514
---	---------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Capital assets at year end (excluding internal service funds) consist of:

Capital assets	\$ 203,286,298	
Accumulated depreciation	(77,497,032)	
Less: Internal service fund included below	<u>(10,162,672)</u>	115,626,594

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:

Premium on debt	(453,553)
Debt issuance costs on debt	297,725
Deferred loss on refunding of debt	201,901

Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.

(503,181)

Special assessments, loans receivable, and various other receivables are reported as deferred revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. These types of deferred revenues at year end consist of:

Delinquent personal property taxes receivable	149,829	
Accounts receivable	1,371,618	
Loan receivable	6,723,260	
Interest receivable	480,875	
Special assessments receivable	7,451,756	
Grants receivable	<u>684,871</u>	16,862,209

Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

24,526,803

Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements.

Long-term liabilities at year end (excluding internal service funds) consist of:

General obligation debt	(54,550,773)	
Vested compensated absences	(2,041,151)	
Police and fire pension liability	(482,316)	
Unfunded pension liability	(9,736,790)	
Duty disability liability	(3,833,439)	
Accrued interest on general obligation debt	<u>(721,745)</u>	(71,366,214)

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES

\$ 133,743,798

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2007

	General Fund	Debt Service - General	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 23,034,620	\$ -	\$ 6,427,379	\$ 29,461,999
Special assessments	100,067	1,786,581	10,981	1,897,629
Intergovernmental	12,602,143	-	3,354,796	15,956,939
Licenses and permits	1,596,494	-	325,572	1,922,066
Fines, forfeitures and penalties	886,185	-	131,998	1,018,183
Charges for services	2,230,189	48,500	394,029	2,672,718
Charges for services - intergovernmental	2,525,628	-	1,809,263	4,334,891
Investment income	2,323,981	662,493	1,341,832	4,328,306
Miscellaneous	181,080	-	1,543,059	1,724,139
Total Revenues	<u>45,480,387</u>	<u>2,497,574</u>	<u>15,338,909</u>	<u>63,316,870</u>
EXPENDITURES				
Current				
General government	5,697,292	2,269	182	5,699,743
Public safety	23,350,938	-	211,718	23,562,656
Public works	7,611,320	-	81,782	7,693,102
Health services	-	-	4,665,919	4,665,919
Culture and recreation	4,356,286	-	3,473,987	7,830,273
Development	-	-	3,614,302	3,614,302
Miscellaneous	630,461	-	-	630,461
Capital Outlay	-	-	8,118,974	8,118,974
Debt Service				
Principal retirement	-	3,560,719	750,000	4,310,719
Interest and fiscal charges	-	1,240,738	716,428	1,957,166
Total Expenditures	<u>41,646,297</u>	<u>4,803,726</u>	<u>21,633,292</u>	<u>68,083,315</u>
Excess (deficiency) of revenues over expenditures	<u>3,834,090</u>	<u>(2,306,152)</u>	<u>(6,294,383)</u>	<u>(4,766,445)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	8,940,000	8,940,000
Refunding long-term debt issued	-	4,870,000	3,975,000	8,845,000
Premium on long-term debt issued	-	23,394	142,754	166,148
Payment to escrow agent	-	(4,848,560)	(3,963,859)	(8,812,419)
Transfers from other funds	1,787,854	2,852,877	3,199,952	7,840,683
Transfers to other funds	(6,143,693)	-	(991,560)	(7,135,253)
Sale of capital assets	21,249	-	65,050	86,299
Total Other Financing Sources (Uses)	<u>(4,334,590)</u>	<u>2,897,711</u>	<u>11,367,337</u>	<u>9,930,458</u>
Net change in fund balances	(500,500)	591,559	5,072,954	5,164,013
FUND BALANCES - Beginning of Year	<u>15,273,042</u>	<u>6,785,284</u>	<u>21,329,175</u>	<u>43,387,501</u>
FUND BALANCES - END OF YEAR	<u>\$ 14,772,542</u>	<u>\$ 7,376,843</u>	<u>\$ 26,402,129</u>	<u>\$ 48,551,514</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended December 31, 2007

Net change in fund balances - total governmental funds	\$ 5,164,013
--	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay is capitalized in the government-wide statements	8,118,974
Some functional expenditures are capitalized	975,370
Some capital outlay is not capitalized in the government-wide statements	(127,507)
Depreciation is reported in the government-wide statements	(5,617,474)
Capital assets transferred to business-type activities	(4,705,180)

Receivables not currently available are reported as deferred revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following deferred revenue categories.

Delinquent personal property taxes receivable	11,069
Accounts receivable	714,964
Loan receivable	434,568
Interest receivable	(55,515)
Special assessments receivable	182,769
Grants receivable	198,418

Receivables that may be uncollectible are recorded in deferred revenue on the fund statements and do not require an allowance. On the government-wide statements an allowance for uncollectible accounts is necessary to offset the revenue that was recognized when earned on the government-wide statements.

(100,254)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal payments paid.

12,910,719

Issuing debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. This is the amount of debt issued during the year.

(17,785,000)

Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount is the change in the following liabilities.

Compensated absences	6,505
Unfunded pension liability	(363,889)
Duty disability liability	184,942
Police and fire pension liability	107,752

Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities interest expense is recognized as the interest accrues regardless of when it is due.

(164,947)

Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences:

Premium on new debt	\$ (222,055)
Debt issuance costs on new debt	126,187
Deferred loss on refunding of debt	212,420
Amortization of premium	23,200
Amortization of debt issuance costs	(16,537)
Amortization of deferred loss on refunding	(10,519)

Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities

15,679

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 218,672

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS PROPRIETARY FUNDS December 31, 2007

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
ASSETS			
Current Assets			
Cash and investments	\$ 5,098,004	\$ 10,072,443	\$ 2,370,892
Taxes receivable	439,467	302,456	79,350
Accounts receivable, net	1,385,354	1,351,028	555,837
Due from other governments	67,960	-	-
Inventories	142,450	-	-
Prepaid items	8,190	-	-
Restricted cash and investments	322,688	130,038	-
Total Current Assets	7,464,113	11,855,965	3,006,079
Noncurrent Assets			
Restricted cash and investments	1,956,638	726,500	1,973,223
Deposit in insurance pools	-	-	-
Unamortized issuance costs	89,613	20,620	64,313
Special assessment receivable	773,330	794,959	-
Capital assets:			
Construction in progress	1,151,276	757,759	1,472,067
Land	284,274	109,339	14,711,637
Capital assets	71,258,763	69,470,967	38,883,742
Less: Accumulated depreciation	(19,261,981)	(22,912,615)	(9,103,436)
Total Capital Assets (Net of Accumulated Depreciation)	53,432,332	47,425,450	45,964,010
Total Noncurrent Assets	56,251,913	48,967,529	48,001,546
Total Assets	63,716,026	60,823,494	51,007,625

<u>Business-type Activities - Enterprise Funds</u>			
<u>Public Transit</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 117,768	\$ 1,061,905	\$ 18,721,012	\$ 14,917,706
-	-	821,273	-
70,440	109,851	3,472,510	203,891
212,127	-	280,087	10,511
-	-	142,450	436,405
-	-	8,190	26,771
-	-	452,726	-
<u>400,335</u>	<u>1,171,756</u>	<u>23,898,248</u>	<u>15,595,284</u>
-	-	4,656,361	250,000
-	-	-	766,496
-	2,000	176,546	-
-	-	1,568,289	-
-	220,286	3,601,388	274,953
-	650,196	15,755,446	235,899
5,892,594	9,998,454	195,504,520	19,715,967
<u>(4,118,113)</u>	<u>(4,858,142)</u>	<u>(60,254,287)</u>	<u>(10,064,147)</u>
<u>1,774,481</u>	<u>6,010,794</u>	<u>154,607,067</u>	<u>10,162,672</u>
<u>1,774,481</u>	<u>6,012,794</u>	<u>161,008,263</u>	<u>11,179,168</u>
<u>2,174,816</u>	<u>7,184,550</u>	<u>184,906,511</u>	<u>26,774,452</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS (cont.) PROPRIETARY FUNDS December 31, 2007

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Water Utility</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 225,497	\$ 200,854	\$ 328,519
Accrued payroll and payroll taxes	67,866	58,913	5,792
Accrued compensated absences	132,502	98,656	15,318
Accrued interest	-	-	253,997
Deposits	-	-	-
Due to other governmental units	-	-	-
Due to other funds	-	-	-
Current portion of advances	333,931	39,912	-
Current portion of general obligation debt	-	-	710,000
Current portion of revenue bonds	588,750	378,750	-
Current portion of unpaid claims	-	-	-
Liabilities payable from restricted assets:			
Current portion revenue bonds	176,250	126,250	-
Accrued interest	146,438	3,788	-
Total Current Liabilities	<u>1,671,234</u>	<u>907,123</u>	<u>1,313,626</u>
Noncurrent Liabilities			
Advances from other funds	3,362,595	777,081	-
Revenue bonds payable	9,015,000	-	-
General obligation debt	-	-	14,445,000
Unpaid claims	-	-	-
Deferred amount on refunding	(52,592)	-	(106,602)
Unamortized premium on debt	34,747	701	72,232
Total Noncurrent Liabilities	<u>12,359,750</u>	<u>777,782</u>	<u>14,410,630</u>
Total Liabilities	<u>14,030,984</u>	<u>1,684,905</u>	<u>15,724,256</u>
NET ASSETS			
Invested in capital assets, net of related debt	44,031,546	46,919,749	32,816,603
Restricted for:			
Restricted deposits	-	-	-
Debt service	1,605,638	284,500	-
Equipment replacement	351,000	442,000	-
Unrestricted	<u>3,696,858</u>	<u>11,492,340</u>	<u>2,466,766</u>
TOTAL NET ASSETS	<u>\$ 49,685,042</u>	<u>\$ 59,138,589</u>	<u>\$ 35,283,369</u>

Adjustment to reflect the consolidation of internal service fund activities
related to enterprise funds.

NET ASSETS OF BUSINESS-TYPE ACTIVITIES

<u>Business-type Activities - Enterprise Funds</u>			Governmental
Public	Other		Activities -
Transit	Enterprise	Totals	Internal
	Funds		Service Funds
\$ 41,623	\$ 65,371	\$ 861,864	\$ 294,663
73,561	16,460	222,592	28,989
119,506	17,186	383,168	32,175
7,866	-	261,863	-
31,201	-	31,201	-
-	2,862	2,862	-
73,679	61,386	135,065	-
-	150,000	523,843	-
34,584	-	744,584	-
-	-	967,500	-
-	-	-	220,000
-	-	302,500	-
-	-	150,226	-
<u>382,020</u>	<u>313,265</u>	<u>4,587,268</u>	<u>575,827</u>
-	150,000	4,289,676	-
-	-	9,015,000	-
197,857	-	14,642,857	-
-	-	-	1,605,540
-	-	(159,194)	-
-	-	107,680	-
<u>197,857</u>	<u>150,000</u>	<u>27,896,019</u>	<u>1,605,540</u>
<u>579,877</u>	<u>463,265</u>	<u>32,483,287</u>	<u>2,181,367</u>
1,542,040	6,010,794	131,320,732	10,162,672
-	-	-	1,043,267
-	-	1,890,138	-
-	-	793,000	-
<u>52,899</u>	<u>710,491</u>	<u>18,419,354</u>	<u>13,387,146</u>
<u>\$ 1,594,939</u>	<u>\$ 6,721,285</u>	<u>152,423,224</u>	<u>\$ 24,593,085</u>
		<u>66,282</u>	
		<u>\$ 152,489,506</u>	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
OPERATING REVENUES			
Charges for services	\$ 8,100,296	\$ 6,266,314	\$ 2,677,207
Rental of equipment	-	-	-
Other	-	24,262	-
Total Operating Revenues	<u>8,100,296</u>	<u>6,290,576</u>	<u>2,677,207</u>
OPERATING EXPENSES			
Personal services	2,033,267	2,011,316	276,725
Contractual services	327,532	759,914	176,141
Supplies and materials	396,205	458,740	15,987
Utilities	462,137	404,437	65,078
Depreciation	1,435,361	1,270,694	572,298
Administrative	389,875	465,482	318,904
Claims	-	-	-
Total Operating Expenses	<u>5,044,377</u>	<u>5,370,583</u>	<u>1,425,133</u>
Operating income (loss)	<u>3,055,919</u>	<u>919,993</u>	<u>1,252,074</u>
NON-OPERATING REVENUES (EXPENSES)			
Operating grants	-	-	-
Investment income	359,376	493,895	193,252
Net gain (loss) on disposal of capital assets	-	(3,470)	(11,607)
Interest expense	(729,145)	(86,083)	(625,812)
Amortization	(8,500)	(7,180)	(3,462)
Total Non-Operating Revenues (Expenses)	<u>(378,269)</u>	<u>397,162</u>	<u>(447,629)</u>
Income (loss) before transfers	2,677,650	1,317,155	804,445
Transfers from other funds	-	-	-
Transfers to other funds	(1,130,478)	(75,000)	(447,800)
Total Transfers	<u>(1,130,478)</u>	<u>(75,000)</u>	<u>(447,800)</u>
Income (loss) before contributions	1,547,172	1,242,155	356,645
Capital contributions	<u>1,503,991</u>	<u>2,266,589</u>	<u>1,453,198</u>
Change in net assets	3,051,163	3,508,744	1,809,843
NET ASSETS - Beginning of Year	<u>46,633,879</u>	<u>55,629,845</u>	<u>33,473,526</u>
NET ASSETS - END OF YEAR	<u>\$ 49,685,042</u>	<u>\$ 59,138,589</u>	<u>\$ 35,283,369</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Public</u>	<u>Other</u>		<u>Activities -</u>
<u>Transit</u>	<u>Enterprise</u>	<u>Totals</u>	<u>Internal</u>
	<u>Funds</u>		<u>Service Funds</u>
\$ 552,510	\$ 880,198	\$ 18,476,525	\$ 3,069,184
-	-	-	2,004,078
184,231	50,569	259,062	272,319
736,741	930,767	18,735,587	5,345,581
2,309,696	608,650	7,239,654	730,913
1,525,122	123,720	2,912,429	441,588
454,038	111,170	1,436,140	924,496
7,023	248,994	1,187,669	154,747
552,219	310,858	4,141,430	1,122,614
-	-	1,174,261	-
-	-	-	2,005,983
4,848,098	1,403,392	18,091,583	5,380,341
(4,111,357)	(472,625)	644,004	(34,760)
2,839,769	-	2,839,769	-
-	-	1,046,523	340,881
-	-	(15,077)	23,638
(10,854)	(11,555)	(1,463,449)	-
-	(1,600)	(20,742)	-
2,828,915	(13,155)	2,387,024	364,519
(1,282,442)	(485,780)	3,031,028	329,759
764,446	520,502	1,284,948	-
-	-	(1,653,278)	(337,100)
764,446	520,502	(368,330)	(337,100)
(517,996)	34,722	2,662,698	(7,341)
-	422,506	5,646,284	-
(517,996)	457,228	8,308,982	(7,341)
2,112,935	6,264,057		24,600,426
\$ 1,594,939	\$ 6,721,285		\$ 24,593,085
		(23,020)	
		\$ 8,285,962	

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Cash received from customers	\$ 8,081,609	\$ 6,266,275	\$ 2,632,922
Cash paid to suppliers for goods and services	(1,297,368)	(1,722,338)	(204,336)
Cash paid to employees for services	(2,033,267)	(2,011,316)	(276,725)
Claims paid	-	-	-
Repayment of insurance claims	-	-	-
Administrative charges	(305,856)	(381,312)	(313,788)
Net Cash Flows From (Used By) Operating Activities	<u>4,445,118</u>	<u>2,151,309</u>	<u>1,838,073</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Operating grants received	-	-	-
Principal paid on advances from other funds	(311,151)	(37,214)	-
Interest paid on advances from other funds	(294,650)	(61,930)	-
Transfers from other funds	-	-	-
Transfers to other funds	(1,130,478)	(75,000)	(447,800)
Net Cash Flows From (Used By) Noncapital Financing Activities	<u>(1,736,279)</u>	<u>(174,144)</u>	<u>(447,800)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	359,376	493,895	193,252
Net Cash Flows From Investing Activities	<u>359,376</u>	<u>493,895</u>	<u>193,252</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt issued	2,000,000	-	5,365,000
Debt issuance costs	(31,000)	-	(22,847)
Debt retired	(675,000)	(500,000)	(3,845,000)
Special assessments received	106,590	125,872	-
Interest paid	(368,750)	(28,399)	(611,884)
Capital contributions	541,204	1,130,543	-
Acquisition and construction of capital assets	(1,889,316)	(1,230,924)	(1,321,501)
Proceeds from sale of capital assets	-	-	-
Net Cash Flows From (Used By) Capital and Related Financing Activities	<u>(316,272)</u>	<u>(502,908)</u>	<u>(436,232)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,751,943</u>	<u>1,968,152</u>	<u>1,147,293</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>4,625,387</u>	<u>8,960,829</u>	<u>3,196,822</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,377,330</u>	<u>\$ 10,928,981</u>	<u>\$ 4,344,115</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Assets	\$ 5,098,004	\$ 10,072,443	\$ 2,370,892
Restricted Cash and Investments			
Current	322,688	130,038	-
Noncurrent	<u>1,956,638</u>	<u>726,500</u>	<u>1,973,223</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 7,377,330</u>	<u>\$ 10,928,981</u>	<u>\$ 4,344,115</u>

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Public</u>	<u>Other</u>		<u>Activities -</u>
<u>Transit</u>	<u>Enterprise</u>	<u>Totals</u>	<u>Internal</u>
	<u>Funds</u>		<u>Service Funds</u>
\$ 721,213	\$ 917,267	\$ 18,619,286	\$ 5,242,370
(2,051,630)	(461,381)	(5,737,053)	(1,638,354)
(2,309,696)	(610,872)	(7,241,876)	(731,012)
-	-	-	(1,562,166)
-	-	-	79,985
-	-	(1,000,956)	-
<u>(3,640,113)</u>	<u>(154,986)</u>	<u>4,639,401</u>	<u>1,390,823</u>
2,887,041	-	2,887,041	-
-	(140,000)	(488,365)	-
-	(11,555)	(368,135)	-
764,446	520,502	1,284,948	-
-	-	(1,653,278)	(337,100)
<u>3,651,487</u>	<u>368,947</u>	<u>1,662,211</u>	<u>(337,100)</u>
-	-	<u>1,046,523</u>	<u>340,881</u>
-	-	<u>1,046,523</u>	<u>340,881</u>
-	-	7,365,000	-
-	-	(53,847)	-
(33,121)	-	(5,053,121)	-
-	-	232,462	-
(11,951)	-	(1,020,984)	-
-	-	1,671,747	-
-	(181,704)	(4,623,445)	(626,873)
-	8,001	8,001	123,545
<u>(45,072)</u>	<u>(173,703)</u>	<u>(1,474,187)</u>	<u>(503,328)</u>
(33,698)	40,258	5,873,948	891,276
<u>151,466</u>	<u>1,021,647</u>	<u>17,956,151</u>	<u>14,276,430</u>
<u>\$ 117,768</u>	<u>\$ 1,061,905</u>	<u>\$ 23,830,099</u>	<u>\$ 15,167,706</u>
\$ 117,768	\$ 1,061,905	\$ 18,721,012	\$ 14,917,706
-	-	452,726	-
-	-	<u>4,656,361</u>	<u>250,000</u>
<u>\$ 117,768</u>	<u>\$ 1,061,905</u>	<u>\$ 23,830,099</u>	<u>\$ 15,167,706</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF CASH FLOWS (cont.) PROPRIETARY FUNDS For the Year Ended December 31, 2007

	Business-type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Storm Water Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 3,055,919	\$ 919,993	\$ 1,252,074
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Noncash items included in income			
Depreciation	1,435,361	1,270,694	572,298
Depreciation charged to other accounts	103,887	893	-
Change in assets and liabilities			
Accounts receivable	(46,769)	(27,125)	(35,371)
Due from other funds	(75,805)	1,931	(8,914)
Inventories	(1,548)	-	-
Prepaid items	(1,322)	-	-
Accounts payable	(29,019)	(20)	50,094
Due to other funds	-	-	-
Deposits	-	-	-
Accrued liabilities	4,414	(15,057)	7,892
Unpaid claims	-	-	-
NET CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES	\$ 4,445,118	\$ 2,151,309	\$ 1,838,073

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

During 2007, developers contributed capital assets of \$369,489 to the water utility, \$170,247 to the sewer utility, and \$82,945 to the storm water utility. Also during 2007, the TIF districts contributed capital assets of \$1,011,560 to the water utility, \$1,909,078 to the sewer utility, \$1,370,253 to the storm water utility, and \$422,506 to the other enterprise funds.

<u>Business-type Activities - Enterprise Funds</u>			Governmental
<u>Public</u>	<u>Other</u>		<u>Activities -</u>
<u>Transit</u>	<u>Enterprise</u>	<u>Totals</u>	<u>Internal</u>
	<u>Funds</u>		<u>Service Funds</u>
\$ (4,111,357)	\$ (472,625)	\$ 644,004	\$ (34,760)
552,219	310,858	4,141,430	1,122,614
-	-	104,780	-
(17,418)	(13,500)	(140,183)	(23,226)
195	-	(82,593)	-
-	-	(1,548)	(59,081)
-	-	(1,322)	(26,771)
(50,127)	(15,973)	(45,045)	(121,494)
-	38,476	38,476	-
1,695	-	1,695	-
(15,320)	(2,222)	(20,293)	3,807
-	-	-	529,734
<u>\$ (3,640,113)</u>	<u>\$ (154,986)</u>	<u>\$ 4,639,401</u>	<u>\$ 1,390,823</u>

CITY OF EAU CLAIRE

**STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
December 31, 2007**

	<u>Tax Collection Agency Fund</u>
ASSETS	
Cash and investments	\$ 10,873,110
Taxes receivable	<u>47,388,408</u>
TOTAL ASSETS	<u>\$ 58,261,518</u>
LIABILITIES	
Due to other taxing units	<u>\$ 58,261,518</u>
TOTAL LIABILITIES	<u>\$ 58,261,518</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF NET ASSETS COMPONENT UNITS December 31, 2007

	Housing Authority	Redevelopment Authority	Other Component Units	Totals
ASSETS				
CURRENT ASSETS				
Cash and investments	\$ 2,423,179	\$ 1,147,207	\$ 194,104	\$ 3,764,490
Receivables				
Taxes	-		151,500	151,500
Notes receivable	-	600,000	1,111	601,111
Accounts, net	8,997	-	-	8,997
Due from primary government	38,249	-	-	38,249
Prepaid items	62,843	-	-	62,843
Total Current Assets	<u>2,533,268</u>	<u>1,747,207</u>	<u>346,715</u>	<u>4,627,190</u>
NONCURRENT ASSETS				
Restricted assets - cash and investments	1,049,573	-	-	1,049,573
Property held for resale	-	1,931,274	-	1,931,274
Construction in progress	220,583	-	-	220,583
Land	1,333,899	-	-	1,333,899
Capital assets	16,554,641	-	-	16,554,641
Less: accumulated depreciation	(6,358,571)	-	-	(6,358,571)
Total Noncurrent Assets	<u>12,800,125</u>	<u>1,931,274</u>	<u>-</u>	<u>14,731,399</u>
Total Assets	<u>15,333,393</u>	<u>3,678,481</u>	<u>346,715</u>	<u>19,358,589</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	36,247	63,334	2,579	102,160
Accrued liabilities	28,886	-	-	28,886
Accrued compensated absences	42,199	-	-	42,199
Other liabilities	94,900	-	-	94,900
Unearned revenue	11,127	-	151,500	162,627
Current portion of long-term debt	358,237	-	-	358,237
Total Current Liabilities	<u>571,596</u>	<u>63,334</u>	<u>154,079</u>	<u>789,009</u>
NONCURRENT LIABILITIES				
Housing projects notes and bonds	707,110	-	-	707,110
Revenue bonds payable	50,000	-	-	50,000
Notes payable	9,585	-	-	9,585
Other loans payable	723,855	-	-	723,855
Total Noncurrent Liabilities	<u>1,490,550</u>	<u>-</u>	<u>-</u>	<u>1,490,550</u>
Total Liabilities	<u>2,062,146</u>	<u>63,334</u>	<u>154,079</u>	<u>2,279,559</u>
NET ASSETS				
Invested in capital assets, net of related debt	9,901,765	1,931,274	-	11,833,039
Restricted for:				
Replacement	933,975	-	-	933,975
Development costs	114,234	-	-	114,234
Taxes	1,364	-	-	1,364
Unrestricted	<u>2,319,909</u>	<u>1,683,873</u>	<u>192,636</u>	<u>4,196,418</u>
TOTAL NET ASSETS	<u>\$ 13,271,247</u>	<u>\$ 3,615,147</u>	<u>\$ 192,636</u>	<u>\$ 17,079,030</u>

See accompanying notes to financial statements.

CITY OF EAU CLAIRE

STATEMENT OF ACTIVITIES COMPONENT UNITS

For the Year Ended December 31, 2007

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets			
					Housing Authority	Redevelopment Authority	Nonmajor Component Units	Totals
Housing Authority								
Housing projects	\$ 3,499,935	\$ 828,417	\$ 2,555,429	\$ 328,578	\$ 212,489	\$ -	\$ -	\$ 212,489
Redevelopment Authority								
Contractual services	13,045	-	-	96,924	-	83,879	-	83,879
Loss on disposal of capital assets	1,502,089	-	-	-	-	(1,502,089)	-	(1,502,089)
Total Redevelopment Authority	1,515,134	-	-	96,924	-	-	-	-
Nonmajor Component Units	85,205	-	-	-	-	-	(85,205)	(85,205)
Total Component Units	\$ 5,100,274	\$ 828,417	\$ 2,555,429	\$ 425,502	212,489	(1,418,210)	(85,205)	(1,290,926)
General revenues:								
Property taxes					-	-	150,500	150,500
Investment income					127,379	-	9,550	136,929
Gain on sale of capital assets					76,315	-	-	76,315
Contributions from city					-	200,000	-	200,000
Miscellaneous					-	2,020	400	2,420
Total General Revenues					203,694	202,020	160,450	566,164
Change in net assets					416,183	(1,216,190)	75,245	(724,762)
NET ASSETS - Beginning of Year					12,855,064	4,831,337	117,391	17,803,792
NET ASSETS - END OF YEAR					\$ 13,271,247	\$ 3,615,147	\$ 192,636	\$ 17,079,030

See accompanying notes to financial statements.

Notes to Financial Statements

The notes to the basic financial statements contain a summary of significant accounting policies and other notes considered necessary for a clear understanding of the financial statements.

CITY OF EAU CLAIRE

INDEX TO NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE	Page
I. Summary of Significant Accounting Policies	50
A. Reporting Entity	50
B. Government-Wide and Fund Financial Statements	51
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	55
D. Assets, Liabilities, and Net Assets or Equity	57
1. Deposits and Investments	57
2. Receivables	59
3. Inventories and Prepaid Items	61
4. Restricted Assets	61
5. Capital Assets	62
6. Other Assets	63
7. Compensated Absences	63
8. Long-Term Obligations/Conduit Debt	63
9. Claims and Judgments	64
10. Equity Classifications	64
11. Prior Period Information	65
II. Stewardship, Compliance, and Accountability	65
A. Budgetary Information	65
B. Limitations on the City Tax Levy	67
III. Detailed Notes on All Funds	67
A. Deposits and Investments	67
B. Receivables	71
C. Restricted Assets	73
D. Capital Assets	74
E. Interfund Receivables/Payables and Transfers	77
F. Long-Term Obligations	81
G. Lease Disclosures	86
H. Net Assets/Fund Balances	87
I. Component Units	91
J. Tax Incremental Financing Districts	104
IV. Other Information	106
A. Employees' Retirement System	106
B. Risk Management	107
C. Commitments and Contingencies	109
D. Other Postemployment Benefits	110
E. Contingent Liabilities	110
F. Related Parties	111
G. Subsequent Events	112

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Eau Claire (City), Wisconsin conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the City. The reporting entity for the City consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected official of the primary government is financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. All discretely presented component units have been combined and reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that they are legally separate from the government.

Discretely Presented Component Units

Housing Authority of the City of Eau Claire

The government-wide financial statements include the Housing Authority of the City of Eau Claire (Housing Authority) as a component unit. The Housing Authority is a legally separate organization. The board of the Housing Authority is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the Housing Authority, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the Housing Authority's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2007. Separately issued financial statements of the Housing Authority of the City of Eau Claire may be obtained from the Housing Authority's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. *REPORTING ENTITY* (cont.)

Discretely Presented Component Units (cont.)

Redevelopment Authority of the City of Eau Claire

The government-wide financial statements include the Redevelopment Authority of the City of Eau Claire (RDA) as a component unit. The RDA is a legally separate organization. The board of the RDA is appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the RDA, and also create a potential financial benefit to or burden on the City. See Note III.I. As a major component unit, the RDA's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2007. Separately issued financial statements of the RDA of the City of Eau Claire may be obtained from the Finance Director's office, which is located at 203 South Farwell Street, P.O. Box 5148, Eau Claire, WI 54702-5148.

Business Improvement Districts (BIDs)

The government-wide financial statements include the Downtown Business Improvement District, West Grand Business Improvement District, Water Street Business Improvement District, and the North Barstow/Medical Business Improvement District as component units. The BIDs are legally separate organizations. The BID boards are appointed by the Eau Claire City Council. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BIDs, and also create a potential financial benefit to or burden on the City. See Note III.I. As nonmajor component units, the BIDs financial statements have been combined and presented as a separate column in the financial statements. The information presented is for the fiscal year ended December 31, 2007. Separate financial statements are not issued by the Business Improvement Districts.

B. *GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements (cont.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The City reports the following major governmental funds:

General Fund – accounts for the City's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

General Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than TIF or enterprise fund debt.

The City reports the following major enterprise funds:

Water Utility – accounts for the construction, operations, and maintenance of the municipal water pumping, treatment, and distribution systems.

Sewer Utility – accounts for the construction, operations, and maintenance of the municipal sewage collection and treatment system.

Storm Water Utility – accounts for the construction and operation of the City's storm sewer system. It also accounts for the acquisition and maintenance of storm water detention areas.

Public Transit – accounts for the operations and maintenance of the municipal mass transit facility and fleet equipment.

The City reports the following non-major governmental and enterprise funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Cemetery Maintenance
- Hazardous Materials Response
- Community Development
- Home Grant
- Economic Development
- Community Enhancement
- Public Library
- City-County Health Department
- Downtown Partners
- Former Landfill Escrow

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Debt Service Funds – used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Debt Service – TIF No. 4

Debt Service – TIF No. 6

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

TIF No. 5 Gateway Northwest Business Park

TIF No. 7 Soo Line Development

TIF No. 8 Downtown Development

Street Projects

Bridge Projects

Buildings and Equipment

Parks and Recreation Projects

Environmental Improvements – Landfill

Library Buildings and Equipment

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Parking Utility

Hobbs Ice Center

Outdoor Pool

In addition, the City reports the following fund types:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Risk Management

Central Equipment

Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The City reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the City has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting and do not have a measurement focus.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Sewer Utility, Storm Water Utility, and Public Transit are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Current rates in the water utility were approved by the Public Service Commission of Wisconsin and effective on October 1, 2006. Current sewer rates were approved by the City council in January 1, 1998. Current storm water utility rates were approved by the City council on November 16, 2006.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds are regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments:

Custodial Credit Risk

Collateralization shall be required on all demand deposit accounts, non-negotiable certificates of deposit, and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be a minimum of 106% of the market value of principal and accrued interest. The level of collateralization is negotiated and a part of the City's Bank Services contract. Collateral shall be pledged in the name of the City of Eau Claire, subject to release by the City's finance director.

Credit Risk

The City will only invest in the type of investments allowable by state statutes as listed above. In addition, any securities the City invests in must have a rating which is the highest or second highest rating category assigned by Standard & Poor's Corporation, Moody's Investors' Service or other similar nationally recognized ranking agency, or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

Concentration of Credit Risk

The City will diversify investments by security type, institution and terms of maturity to reduce portfolio risk. With the exception of U.S. agency securities and authorized pools, no more than fifty percent of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Investments shall be diversified by:

1. Limiting investments to avoid concentration in securities from a specific issuer or business sector (excluding U.S. agency securities and authorized pools).
2. Limiting investment in securities that have higher credit risks.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

1. Deposits and Investments (cont.)

Concentration of Credit Risk (cont.)

3. Investing in securities with varying maturities.
4. Continuously investing a portion of the portfolio in readily available funds such as local government investment pools or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Interest Rate Risk

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. However, the City may collateralize its investments using longer-dated securities. The City will maintain at least ten percent of its total investment portfolio in instruments maturing in 30 days or less.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on the same day if prior to 11:00 a.m. CST. At December 31, 2007, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note III.A. for further information.

2. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. They are recognized as revenues in the succeeding year when services financed by the levy are being provided. In addition to property taxes for the City, taxes are collected for and remitted to the state and county governments as well as local school districts and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying agency fund balance sheet.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

Property tax calendar – 2007 tax roll:

Lien date and levy date	December 2007
Tax bills mailed	December 2007
Payment in full, or	January 31, 2008
First installment due	January 31, 2008
Second installment due	July 31, 2008
Personal property taxes in full	January 31, 2008
Tax sale – 2007 delinquent real estate taxes	October 2010

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water, Sewer, and Storm Water utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The City records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$146,000.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

It is the City's policy to record deferred revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as designated fund balance in the fund financial statements.

3. Inventories and Prepaid Items

Proprietary fund inventories, if material, are recorded at cost based on the FIFO method using the consumption method of accounting. Proprietary fund inventories are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

Funds on deposit with Wisconsin Municipal Insurance Company for payment of insurance claims are combined with twelve other participating governments. The City's deposit at year end was \$250,000. This amount is recorded as Restricted Assets in the Internal Service funds. See Note III.C. for additional information on restricted assets.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. Upon implementing GASB No. 34, governmental units are required to account for all capital assets, including infrastructure, in the government-wide statements prospectively from the date of implementation. Retroactive reporting of all major general infrastructure assets is encouraged but not required until January 1, 2007, when GASB No. 34 requires the City to retroactively report all major general infrastructure assets acquired since January 1, 1980. The City has retroactively reported all network infrastructure acquired by its governmental fund types.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. During the current year, \$5,800 of net interest was capitalized. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40-50 Years
Land Improvements	30-55 Years
Machinery and Equipment	3-25 Years
Utility System	40-100 Years
Infrastructure	10-30 Years

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period, and premiums on debt are recognized as revenues in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the life of the issue using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the balance sheet.

7. Compensated Absences

Under terms of employment, employees accumulate vacation, compensatory time, sick leave and other benefits at various rates depending on bargaining group and length of service. Payments for vacation, compensatory time, and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and compensatory time liabilities at December 31, 2007 are determined on the basis of current salary rates and include salary related payments.

All vested vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debt (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt (cont.)

The City has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the City. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$5,161,000, made up of one issue.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

10. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The net asset section includes an adjustment for capital assets owned by the business-type activities column, but financed by debt of the governmental activities column.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

11. Prior Period Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

Comparative total data for the prior year have been presented for the general fund, certain special revenue funds and the debt service funds in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. However, comparative data by fund has not been presented in all statements since their inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgeting is an essential element of the financial planning, control, and evaluation process of the City. Formal budgets are prepared for governmental and proprietary funds. Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I.C. The City adopts the budget at the department level.

An annual budget has been adopted for the general, debt service, and special revenue funds, except for the Community Development and Home Grant funds, which have nonlapsing budgets. Flexible, annual budgets are approved for proprietary funds to provide for financial management. Project length budgets are adopted for capital project funds. Although these appropriations are specific for each project, they are reviewed and may be adjusted annually by the City council. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds. All annual appropriations lapse at year end.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. BUDGETARY INFORMATION (cont.)

Purchase orders which are not completed by year end are recorded in the following year.

The following procedures, which comply with legal requirements, are used in establishing the budgetary data reflected in the financial statements:

1. Before October 25, the City manager must submit to the City council budget proposals for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the resources to finance them.
2. City council work sessions are held to review the submitted budget.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is adopted through passage of a resolution in November; public notification is given, showing adopted budgets and the resulting tax levy.
5. During the fiscal year, the director of finance may authorize transfers of budgeted amounts within departments; however, transfers between departments must be approved by City council resolutions.
6. Formal budgetary integration is employed as a management control device during the year for the general, special revenue and debt service funds. Budgetary control for capital project funds is accomplished through the use of project controls.

The City council approved proposed 2007 budgets for governmental and proprietary funds on November 16, 2006.

During 2007, additional appropriations were approved in the General, General Debt Service, Economic Development, Community Enhancement, Downtown Partners, Hazardous Materials Response, City-County Health Department and TIF No. 6 Debt Service Funds. A summary of these council actions follows:

<u>Fund</u>	<u>Original Appropriation</u>	<u>Carryover of Appropriations</u>	<u>Grants and Donations</u>	<u>Debt Service</u>	<u>Other</u>	<u>Final Appropriation</u>
General fund	\$ 49,104,900	\$ (4,200)	\$ 337,300	\$ -	\$ 268,300	\$ 49,706,300
General Debt Service	4,926,500	-	-	4,848,600	-	9,775,100
Cemetery Maintenance	388,200	-	-	-	700	388,900
Economic Development	660,100	525,000	-	-	550,000	1,735,100
Community Enhancement	1,030,800	-	1,200	-	15,700	1,047,700
Downtown Partners	139,300	(5,000)	-	-	800	135,100
Hazardous Materials Response	242,600	29,500	-	-	-	272,100
City-County Health	4,245,900	305,800	-	-	59,400	4,611,100
TIF No. 6 Debt Service	103,200	-	-	780,000	-	883,200

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE II – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. LIMITATIONS ON THE CITY TAX LEVY

As part of Wisconsin's Act 20 (2007), legislation was passed that limits the City's future tax levies. Generally, for operating purposes, the City is limited to its prior tax levy dollar amount (excluding TIF districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 2%. For the 2006 levy collectible in 2007, the City's limit was 2.217%. For the 2007 levy collectible in 2008, the limit was 2.296%. For the 2008 levy, the limit will likely be close to the 2% minimum. Changes in debt service from one year to the next are generally exempt from this limit.

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool for all funds and component units (except the Housing Authority) which is recorded on the statement of net assets as follows:

Per statement of net assets	
Cash and investments	\$ 78,598,839
Restricted cash and investments	10,779,353
Per statement of net assets – fiduciary funds	10,873,110
Subtotal	<u>100,251,302</u>
Less: Housing Authority cash and investments	(2,423,179)
Housing Authority restricted assets – cash and investments	<u>(1,049,573)</u>
Total	<u>\$ 96,778,550</u>

Total cash and investments consist of the following:

Petty cash and cash on hand	\$ 4,958
Deposits with financial institutions	42,108,468
Investments	<u>54,665,124</u>
Total Cash and Investments	<u>\$ 96,778,550</u>

See Note III.I. for component unit information.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits

The City's deposits at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 42,108,468	\$ 42,538,526	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in determining custodial credit risk.

The City maintains collateral agreements with its bank. At December 31, 2007, the bank had pledged various government securities in the amount of \$51,502,524 to secure the City's deposits.

Investments

The City's investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Associated Risks</u>
U.S. agencies	\$ 45,151,940	Concentration of credit risk, credit risk, interest rate risk
U.S. treasuries	243,900	Custodial credit risk, interest rate risk
Escrow account	250,000	Credit risk, interest rate risk
LGIP	<u>9,019,284</u>	Credit risk, interest rate risk
Total Cash and Investments	<u>\$ 54,665,124</u>	

Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC and State of Wisconsin Guarantee Fund insurance.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2007, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's Investor Service</u>
U.S. agencies – implicitly guaranteed	AAA	Aaa

The City also had investments in the following external pools which are not rated:

Local Government Investment Pool
WMMIC Escrow Pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At December 31, 2007, the investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Percentage of Portfolio</u>
FHLB	U.S. agencies – implicitly guaranteed	73%
FNMA	U.S. agencies – implicitly guaranteed	9%

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of December 31, 2007, the City's investments were as follows:

Investment	Maturity Date	Call Date	Fair Value
FHLB Callable	12/30/08	03/30/08	\$ 2,002,500
FHLB Callable	07/23/08	01/23/08	2,000,620
FHLB Bullet	01/11/08	N/A	2,000,000
FHLB Bullet	02/28/08	N/A	3,001,890
FHLB One-Time Call	02/05/09	02/05/08	3,003,750
FHLB Bullet	01/02/08	N/A	3,000,000
FHLB One-Time Call	06/15/10	06/15/09	2,038,760
FHLB One-Time Call	06/25/10	06/25/08	2,013,760
FHLB Callable	10/01/12	10/01/08	3,023,430
FHLB One-Time Call	04/22/10	10/22/08	3,019,680
FHLB Callable	11/15/10	05/15/08	3,006,570
FHLB One-Time Call	05/19/10	08/19/08	3,010,320
FHLB Callable	06/18/10	06/18/08	3,002,820
FHLB One-Time Call	09/17/10	09/17/08	3,005,640
FHLB One-Time Call	12/30/10	12/30/08	3,005,640
FNMA Callable	07/14/08	01/10/08	1,996,880
FNMA One-Time Call	06/18/09	06/18/08	3,019,680
U.S. Treasury Securities	10/01/08	N/A	243,900
Total			<u>\$ 45,395,840</u>

Investment	Fair Value	Weighted Average Maturity (Days)
Local Government Investment Pool	\$ 9,019,284	56
WMMIC Escrow Pool	250,000	N/A

See Note I.D.1. for further information on deposit and investment policies.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES

Receivables as of year end for the government's individual major funds and nonmajor funds, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
General	\$ 27,279,839	\$ -	\$ 27,279,839	\$ 595,771
Debt Service - General	7,667,070	-	7,667,070	3,911,771
Nonmajor Funds	14,034,265	182,834	13,851,431	6,514,512
Internal Service Funds	214,402	-	214,402	65,825

Business-type Activities

Fund	Gross Receivables	Allowance For Uncollectibles	Net Receivables	Amounts Not Expected to Be Collected Within One Year
Water Utility	\$ 2,666,111	\$ -	\$ 2,666,111	\$ 747,371
Sewer Utility	2,448,443	-	2,448,443	774,723
Storm Water Utility	636,237	1,050	635,187	-
Public Transit	282,567	-	282,567	2,638
Nonmajor Funds	109,851	-	109,851	387

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Property taxes receivable	\$ -	\$ 29,900,533	\$ 29,900,533
Delinquent property taxes receivable	149,829	-	149,829
Investment interest receivable	124,593	-	124,593
Accounts receivable	1,371,619	-	1,371,619
Loans receivable	6,723,260	-	6,723,260
Interest on special assessments	356,281	-	356,281
Special assessments not yet due	7,451,756	-	7,451,756
Grants receivable	<u>684,871</u>	<u>-</u>	<u>684,871</u>
 Total Deferred/Unearned Revenue for Governmental Funds	 <u>\$ 16,862,209</u>	 <u>\$ 29,900,533</u>	 <u>\$ 46,762,742</u>

Notes Receivable

At December 31, 2007 the General fund has one note receivable totaling \$25,000. This note will be paid by the Chippewa Valley Incubation Center which used the proceeds to partially fund a loan pool that is designed to provide beginning businesses with loans to purchase machinery and equipment.

The Community Development Special Revenue fund has notes receivable of \$2,774,046 at December 31, 2007, with maturities to the year 2020. These loans include \$845,579 for five small industry and economic development loans and \$1,928,467 for loans to residential and light commercial property owners for rehabilitation projects. The rehabilitation loan balance includes 185 loans which are all required to be secured by a lien on the property. Some loans can be deferred until the property is sold. Interest on these loans is either lower than market or zero. The City discontinued the small industry loan program in 1989.

The Economic Development Special Revenue fund has notes receivable of \$2,189,934 at December 31, 2007. This balance is comprised of 20 different loans to a variety of businesses.

The Community Enhancement Special Revenue fund also has one note receivable at the end of the year. The total outstanding on the loan is \$16,666 and will be paid by the Eau Claire Regional Arts Center.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

C. RESTRICTED ASSETS

The following represent the balances of the restricted assets:

Long Term Debt Accounts

- Redemption – Used to segregate resources accumulated for debt service payments over the next twelve months.
- Construction – Used to report proceeds of bond issuances that are restricted for use in construction.

Equipment Replacement Account

The water and sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Following is a list of restricted assets at December 31, 2007:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Restricted Assets		
Redemption account	\$ -	\$ 1,981,495
Replacement account	-	793,000
Revolving loan sequestered funds	151,778	-
TIF No. 5 construction account	1,073,714	-
TIF No. 8 construction account	486,352	-
Buildings and Equipment construction account	2,658,849	-
Water construction account	-	361,369
Storm Water construction account	-	1,973,223
Insurance claims account	250,000	-
	<u>250,000</u>	<u>-</u>
Total Restricted Assets	<u>\$ 4,620,693</u>	<u>\$ 5,109,087</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 16,511,989	\$ 7,340,197	\$ 17,254,169	\$ 6,598,017
Land	<u>15,067,676</u>	<u>489,349</u>	<u>27</u>	<u>15,556,998</u>
Total Capital Assets Not Being Depreciated	<u>\$ 31,579,665</u>	<u>\$ 7,829,546</u>	<u>\$ 17,254,196</u>	<u>\$ 22,155,015</u>
Capital assets being depreciated				
Land improvements	\$ 5,103,758	\$ 3,929,681	\$ -	\$ 9,033,439
Buildings	19,087,084	767,533	17,793	19,836,824
Machinery and equipment	25,086,903	2,110,204	1,263,475	25,933,632
Infrastructure	<u>118,673,874</u>	<u>7,653,514</u>	<u>-</u>	<u>126,327,388</u>
Total Capital Assets Being Depreciated	<u>167,951,619</u>	<u>14,460,932</u>	<u>1,281,268</u>	<u>181,131,283</u>
Less: Accumulated depreciation for				
Land improvements	(1,149,988)	(438,865)	-	(1,588,853)
Buildings	(9,607,312)	(468,613)	16,903	(10,059,022)
Machinery and equipment	(12,909,483)	(2,003,277)	1,143,605	(13,769,155)
Infrastructure	<u>(48,250,669)</u>	<u>(3,829,333)</u>	<u>-</u>	<u>(52,080,002)</u>
Total Accumulated Depreciation	<u>(71,917,452)</u>	<u>(6,740,088)</u>	<u>1,160,508</u>	<u>(77,497,032)</u>
Capital Assets, Being Depreciated, Net	<u>\$ 96,034,167</u>	<u>\$ 7,720,844</u>	<u>\$ 120,760</u>	<u>\$ 103,634,251</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 225,259
Public safety	587,330
Public works, which includes the depreciation of infrastructure	4,313,886
Health services	29,258
Culture and recreation	1,581,843
Development	<u>2,512</u>

Total Governmental Activities Depreciation Expense	<u>\$ 6,740,088</u>
--	---------------------

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Construction in progress	\$ 7,441,312	\$ 2,083,336	\$ 5,923,260	\$ 3,601,388
Land	<u>15,760,862</u>	<u>2,780</u>	<u>8,196</u>	<u>15,755,446</u>
Total Capital Assets Not Being Depreciated	<u>\$ 23,202,174</u>	<u>\$ 2,086,116</u>	<u>\$ 5,931,456</u>	<u>\$ 19,356,834</u>
Other Capital Assets				
Improvements	\$ 2,967,207	\$ 422,505	\$ -	\$ 3,389,712
Buildings	30,136,063	305,000	-	30,441,063
Distribution and collection systems	134,651,927	12,297,733	261,418	146,688,242
Source of supply system	889,335	-	-	889,335
Machinery and equipment	<u>14,022,587</u>	<u>82,392</u>	<u>8,811</u>	<u>14,096,168</u>
Total Capital Assets Being Depreciated	<u>182,667,119</u>	<u>13,107,630</u>	<u>270,229</u>	<u>195,504,520</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation for				
Improvements	\$ (1,418,521)	\$ (126,095)	\$ -	\$ (1,544,616)
Buildings	(14,452,295)	(713,140)	-	(15,165,435)
Distribution and collection systems	(30,808,831)	(2,491,103)	226,212	(33,073,722)
Source of supply system	(629,290)	(20,627)	-	(649,917)
Machinery and equipment	(8,943,020)	(886,388)	8,811	(9,820,597)
Total Accumulated Depreciation	<u>(56,251,957)</u>	<u>(4,237,353)</u>	<u>235,023</u>	<u>(60,254,287)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>\$126,415,162</u>	 <u>\$ 8,870,277</u>	 <u>\$ 35,206</u>	 <u>\$ 135,250,233</u>

Depreciation expense was charged to functions as follows:

Business-type Activities

Water	\$ 1,435,361
Sewer	1,270,694
Storm Water	572,298
Public Transit	552,219
Parking Utility	193,824
Hobbs Ice Center	64,957
Outdoor Pool	52,077
Other	<u>103,887</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 4,245,317</u>

The amount of depreciation expense charged to "other" above is the amount charged for joint metering in 2007. Depreciation expense does not agree to increases in accumulated depreciation due to cost of removal and a contribution of capital assets from the City.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Special Revenue – Public Library	\$ 3,877
General fund	Special Revenue – City-County Health	8,059
General fund	Special Revenue – Community Enhancement	62,085
General fund	Enterprise – Public Transit	73,679
General fund	Enterprise – Hobbs Ice Center	<u>61,386</u>
Subtotal – Fund Financial Statements		209,086
Less: Fund eliminations		<u>(74,021)</u>
Total interfunds		135,065
Interfund advances		4,813,519
Adjustment to reflect internal service fund activities related to enterprise funds		<u>(66,282)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 4,882,302</u>

The principal purpose of these interfunds is to cover an overdraft of pooled cash. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All amounts are expected to be repaid within one year.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The general fund is advancing funds to the water utility, sewer utility, and the outdoor pool fund. The general fund is charging the other funds interest on the advances based on the balance outstanding before the principal payment for the current year. The interest rate on the water utility advances is 5.8% – 7.7%. The rate being charged on the sewer utility advance is 7.25%. The rate being charged to the outdoor pool is 2.875% – 3.35%.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

The following is a schedule of interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
General fund	Water Utility	\$ 3,696,526	\$ 3,362,595
General fund	Sewer Utility	816,993	777,081
General fund	Outdoor Pool – non-major	<u>300,000</u>	<u>150,000</u>
Total – Government-Wide Statement of Net Assets and Financial Statements		<u>\$ 4,813,519</u>	<u>\$ 4,289,676</u>

The principle purpose of the advances is to advance funds for capital construction projects and collateral on a letter of credit.

Annual repayment of principal and interest are made according to the following schedule:

<u>Years</u>	<u>Advances</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2008	\$ 523,843	\$ 338,376	\$ 862,219
2009	551,186	306,271	857,457
2010	430,530	274,416	704,946
2011	462,018	242,927	704,945
2012	495,810	209,134	704,944
2013 – 2017	1,894,221	552,462	2,446,683
2018 – 2020	<u>455,911</u>	<u>53,199</u>	<u>509,110</u>
Totals	<u>\$ 4,813,519</u>	<u>\$ 1,976,785</u>	<u>\$ 6,790,304</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Community Enhancement	\$ 95,000	To fund general fund special events
	Community Development	39,576	To fund coalition for youth
	Water Utility	1,130,478	Payment in lieu of tax
	Sewer Utility	75,000	To pay back contributed capital
	Storm Water Utility	447,800	Fund street cleaning costs
Special Revenue			
Cemetery Maintenance	General Fund	199,168	Operating subsidy
Downtown Partners	Economic Development	85,000	Operating subsidy
City-County Health	Community Development	54,187	Fund code enforcement project
Debt Service			
Debt Service - General	General Fund	2,852,877	Debt service payments
Capital Projects			
Buildings and Equipment	General Fund	1,022,500	Fund various projects
Buildings and Equipment	Community Development	377,959	Fund comprehensive plan/home ownership program
Street Projects	General Fund	500,000	Fund street construction
Bridges	General Fund	175,000	Fund bridge renovations
Parks and Recreation	General Fund	150,000	Fund park development projects
Parks and Recreation	Community Enhancement	144,000	Fund park development projects
Parks and Recreation	Community Development	49,138	Fund park development projects
TIF No. 8	Risk Management	242,100	Debt service payments
Downtown Development			
Library Buildings and Equipment	Public Library	105,900	Fund facility improvements
Environmental Improvement	Risk Management	95,000	Fund environmental projects

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

E. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Enterprise			
Parking Utility	General Fund	\$ 90,100	Subsidize parking ramp renovations
Parking Utility	General Fund	34,400	Operating subsidy
Public Transit	General Fund	1,100	Bus stop signs
Public Transit	General Fund	763,346	Operating subsidy
Hobbs Ice Center	General Fund	41,889	Operating subsidy
Hobbs Ice Center	General Fund	50,000	Subsidize facilities improvements
Hobbs Ice Center	Community Enhancement	40,800	Subsidize facilities improvements
Outdoor Pool	General Fund	87,413	Operating subsidy
Outdoor Pool	General Fund	140,000	Debt service
Outdoor Pool	General Fund	<u>35,900</u>	Subsidize facility improvements
Subtotal – Fund Financial Statements		9,125,631	
Less: Fund eliminations		(8,757,301)	
Capital assets transferred to business-type activities		<u>(4,705,180)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (4,336,850)</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 49,565,000	\$ 17,785,000	\$ 12,875,000	\$ 54,475,000	\$ 4,300,000
State trust fund notes	111,492	-	35,719	75,773	37,140
Sub-totals	<u>49,676,492</u>	<u>17,785,000</u>	<u>12,910,719</u>	<u>54,550,773</u>	<u>4,337,140</u>
Other Liabilities					
Vested compensated absences	2,079,930	2,348,949	2,355,553	2,073,326	2,073,326
Police and fire pensions	590,068	-	107,752	482,316	93,851
State retirement fund	9,372,901	701,288	337,399	9,736,790	630,255
Duty disability	4,018,381	186,628	371,570	3,833,439	395,722
Unpaid self-insurance claims	<u>1,295,806</u>	<u>1,376,422</u>	<u>846,688</u>	<u>1,825,540</u>	<u>220,000</u>
Total Other Liabilities	<u>17,357,086</u>	<u>4,613,287</u>	<u>4,018,962</u>	<u>17,951,411</u>	<u>3,413,154</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 67,033,578</u>	<u>\$ 22,398,287</u>	<u>\$ 16,929,681</u>	<u>\$ 72,502,184</u>	<u>\$ 7,750,294</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation bonds	\$ 13,635,000	\$ 5,365,000	\$ 3,845,000	\$ 15,155,000	\$ 710,000
State trust fund notes	265,562	-	33,121	232,441	34,584
Revenue bonds	<u>9,460,000</u>	<u>2,000,000</u>	<u>1,175,000</u>	<u>10,285,000</u>	<u>1,270,000</u>
Sub-totals	<u>23,360,562</u>	<u>7,365,000</u>	<u>5,053,121</u>	<u>25,672,441</u>	<u>2,014,584</u>
Other Liabilities					
Vested compensated absences	<u>382,330</u>	<u>519,621</u>	<u>518,783</u>	<u>383,168</u>	<u>383,168</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 23,742,892</u>	<u>\$ 7,884,621</u>	<u>\$ 5,571,904</u>	<u>\$ 26,055,609</u>	<u>\$ 2,397,752</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Tax incremental bonds are paid by segregated property taxes, but are ultimately backed by the full faith and credit of the City if incremental taxes are inadequate to meet payments. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2007, was \$205,508,940. Total general obligation debt outstanding at year end was \$69,938,214.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-07
Governmental Activities					
General Obligation Bonds					
Corporate purpose	08/01/97	04/01/17	4.9-5.35%	\$ 5,185,000	\$ 130,000
Tax incremental bonds	08/01/97	04/01/17	4.9-5.35%	5,815,000	1,060,000
Corporate purpose	09/15/98	04/01/18	4.45-4.5%	6,650,000	885,000
Corporate purpose	09/01/99	04/01/19	4.65-5.5%	6,450,000	955,000
Tax incremental bonds	09/01/99	04/01/16	4.65-5.5%	395,000	75,000
Corporate purpose	08/01/00	04/01/20	5.0-5.5%	4,730,000	755,000
Tax incremental bonds	08/08/00	04/01/20	5.0-5.5%	1,780,000	260,000
Corporate purpose	08/15/01	04/01/21	4.13-5.0%	8,700,000	6,235,000
Corporate purpose	08/27/02	10/01/15	2.85-3.875%	4,120,000	1,785,000
Corporate purpose	08/27/02	10/01/22	3.7-4.7%	3,700,000	2,450,000
Tax incremental bonds	09/15/03	04/01/09	2.75-4.0%	900,000	500,000
Corporate purpose	09/15/03	04/01/14	3.625-4.8%	9,870,000	8,570,000
Corporate purpose	09/15/03	04/01/14	3.5-3.75%	4,405,000	3,610,000
Corporate purpose	09/01/04	04/01/14	3.5-3.625%	6,270,000	5,270,000
Tax incremental bonds	09/09/04	04/01/14	6.28%	570,000	570,000
Corporate purpose	06/01/05	04/01/25	3.5-4.25%	5,850,000	5,300,000
Tax incremental bonds	12/01/05	04/01/19	3.7-4.0%	3,000,000	3,000,000
Tax incremental bonds	06/01/05	04/01/22	3.7-4.1%	200,000	200,000
Corporate purpose	08/01/06	04/01/26	4.125-5.0%	5,125,000	4,870,000
Corporate purpose	05/01/07	04/01/27	4.0-5.0%	9,500,000	9,500,000
Tax incremental bonds	05/01/07	04/01/27	4.0-5.0%	1,440,000	1,440,000
Corporate purpose	05/01/07	04/01/20	4.0-4.125%	12,210,000	12,210,000
Subtotal					69,630,000
Less: Enterprise portion of G.O. Bonds					(15,155,000)
Total – Governmental Activities – G.O. Bonds					<u>\$ 54,475,000</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-07
Governmental Activities					
General Obligation Debt					
State trust fund note	05/14/04	03/15/09	4.0%	\$ 180,000	\$ 75,773
Total Governmental Activities – General Obligation Debt					<u>54,550,773</u>
Business-type Activities					
General Obligation Debt					
State trust fund note	08/27/03	3/15/13	4.5%	320,000	232,441
Plus: Enterprise portion of G.O. Bonds					<u>15,155,000</u>
Total Business-type Activities General Obligation Debt					<u>15,387,441</u>
Total General Obligation Debt					<u>\$ 69,938,214</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2008	\$ 4,337,140	\$ 2,487,380	\$ 744,584	\$ 734,818
2009	4,608,633	2,000,332	811,169	609,879
2010	4,075,000	1,824,138	857,796	574,875
2011	4,380,000	1,653,460	884,497	538,970
2012	4,460,000	1,475,534	936,264	502,186
2013 – 2017	19,270,000	4,869,184	5,093,131	1,899,203
2018 – 2022	9,860,000	1,736,359	4,445,000	801,962
2023 – 2027	<u>3,560,000</u>	<u>269,284</u>	<u>1,615,000</u>	<u>132,359</u>
Totals	<u>\$ 54,550,773</u>	<u>\$ 16,315,671</u>	<u>\$ 15,387,441</u>	<u>\$ 5,794,252</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the water and sewer utilities.

The Water Utility has pledged future water revenues, net of specified operating expenses to repay \$13,425,000 in water revenue bonds issued from 1996 to 2007. Proceeds from the bonds provided financing for utility system improvements and for refinancing previous revenue bonds. The bonds are payable solely from water revenues and are payable through 2023. The bonds require net revenues of 1.25 times annual principal and interest payments on outstanding bonds. The total principal and interest remaining to be paid on the bonds are \$12,596,359. Principal and interest paid for the current year and total customer net revenues were \$1,061,504 and \$4,491,280, respectively.

The Sewer Utility has pledged future sewer revenues, net of specified operating expenses to repay \$2,845,000 in sewer revenue bonds issued in 2002. Proceeds from the bonds were used to refinance previous revenue bonds. The bonds are payable solely from sewer revenues and are payable through 2008. The bonds require net revenues of 1.25 times annual principal and interest payments on outstanding bonds. Total principal and interest payments on outstanding bonds are \$520,150. Principal and interest paid for the current year and total customer net revenues were \$528,400 and \$2,190,687, respectively.

Revenue debt payable at December 31, 2007 consists of the following:

Business-type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 12-31-07
<u>Water Utility</u>					
Revenue bonds	09/01/96	10/01/10	5.0-5.5%	\$ 1,000,000	\$ 330,000
Revenue bonds	08/01/97	10/01/16	5.15-5.4%	3,500,000	2,220,000
Revenue bonds	08/15/01	10/01/16	4.0-4.8%	4,615,000	3,700,000
Revenue bonds	09/15/03	10/01/17	2.5-4.3%	2,310,000	1,530,000
Revenue bonds	05/01/07	10/01/23	4.0-4.5%	2,000,000	2,000,000
Total Water Utility					<u>9,780,000</u>
<u>Sewer Utility</u>					
Revenue bonds	08/27/02	10/01/08	2.5-3.0%	2,845,000	<u>505,000</u>
Total Sewer Utility					<u>505,000</u>
Total Business-type Activities Revenue Debt					<u>\$ 10,285,000</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2008	\$ 1,270,000	\$ 494,419	\$ 1,764,419
2009	830,000	411,269	1,241,269
2010	865,000	375,026	1,240,026
2011	905,000	336,420	1,241,420
2012	945,000	296,588	1,241,588
2013 – 2017	4,570,000	783,313	5,353,313
2018 – 2022	750,000	128,100	878,100
2023	150,000	6,375	156,375
Totals	<u>\$ 10,285,000</u>	<u>\$ 2,831,510</u>	<u>\$ 13,116,510</u>

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the City's system and any additions, improvements and extensions thereto is created by Section 66.066 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The City's system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The City believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

The City has never defaulted on any of its prior outstanding indebtedness. Short-term debt is not issued for operational purposes.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

F. LONG-TERM OBLIGATIONS (cont.)

Advance Refunding

On May 1, 2007, the City issued \$12,210,000 in general obligation bonds with an average interest rate of 4.0-4.125 percent to advance refund \$11,835,000 of outstanding bonds with various interest rates. The net proceeds of \$12,159,576 (after premium, accrued interest, payment of issuance and other costs, and transfer of excess funds to the City) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from these financial statements.

The cash flow requirements on the refunded bonds and notes prior to the advance refunding was \$18,959,720 from 2007 through 2020. The cash flow requirements on the refunding bonds are \$18,251,273 from 2007 through 2020. The advance refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$545,391.

Deferred Amount on Refunding

Deferred amounts on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deduction from debt payable in the government-wide and proprietary fund statements. Amortization for 2007 was \$10,519 for the governmental activities, \$9,146 for the Water Utility, and \$5,554 for the Storm Water Utility.

G. LEASE DISCLOSURES

The City has no material leases as lessee or lessor.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at December 31, 2007 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Construction in progress	\$ 6,598,017
Land	15,556,998
Other capital assets, net of accumulated depreciation	103,634,251
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(45,658,747)</u>
Total Invested in Capital Assets	<u>80,130,519</u>
Restricted	
Deposits	1,043,267
Unspent grant proceeds	335,574
New loans	1,760,261
RCU agreement	346,392
Debt service payments	<u>16,508,148</u>
Total Restricted	<u>19,993,642</u>
Unrestricted	<u>33,619,637</u>
Total Governmental Activities Net Assets	<u>\$ 133,743,798</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at December 31, 2007 include the following:

Reserved

Major Funds

General Fund

Notes receivable	\$ 25,000
Prepaid items and inventories	97,431
Advances to other funds (noncurrent portion)	<u>4,289,676</u>
Total	<u>\$ 4,412,107</u>

General Debt Service Fund

Reserved for debt service	<u>\$ 7,376,843</u>
---------------------------	---------------------

Non-Major Funds

Special Revenue – Home Grant

Reserved for grant proceeds	<u>\$ 17,646</u>
-----------------------------	------------------

Special Revenue – Economic Development

Reserved for grant proceeds	<u>223,739</u>
-----------------------------	----------------

Special Revenue – City-County Health Department

Reserved for prepaid items	67,570
Reserved for grant proceeds	<u>111,835</u>
Total	<u>179,405</u>

Debt Service – TIF No. 4

Reserved for TIF No. 4 debt service	<u>958,440</u>
-------------------------------------	----------------

Debt Service – TIF No. 6

Reserved for TIF No. 6 debt service	<u>934,662</u>
-------------------------------------	----------------

Capital Projects – TIF No. 5 Gateway NW Business Park

Reserved for bond construction	<u>1,073,714</u>
--------------------------------	------------------

Capital Projects – TIF No. 8 Downtown Development

Reserved for capital contracts	<u>486,352</u>
--------------------------------	----------------

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Reserved (cont.)

Non-Major Funds (cont.)

Capital Projects - Street Projects

Reserved for capital contracts \$ 1,498,727

Capital Projects – Bridge Projects

Reserved for capital contracts 15,000

Capital Projects – Buildings and Equipment

Reserved for bond construction 2,658,849

Capital Projects – Parks and Recreation Projects

Reserved for capital contracts 51,310

Capital Projects – Environmental Improvements – Landfill

Reserved for capital contracts 2,689

Reserved for environmental remediation 346,392

Total 349,081

Total Reserved Fund Balance – Nonmajor Funds \$ 8,446,925

Unreserved, undesignated

Major Funds

General Fund \$ 4,638,803

Unreserved, designated

Major Funds

General fund designated for

Highway 53 maintenance \$ 246,863

Working capital 3,700,000

Subsequent year expenditures 1,774,769

Total \$ 5,721,632

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved, designated (cont.)

Non-Major Funds

Special Revenue Funds designated for Cemetery Maintenance

- Subsequent year expenditures \$ 142,442

Hazardous Materials Response - Subsequent year expenditures 219,857

Community Development - Subsequent year expenditures 345,811

Economic Development - Economic development 950,000
- Subsequent year expenditures 2,659,459
- Downtown facade loans 10,000
- Code compliance loans 100,000

Community Enhancement - Subsequent year expenditures 22,555

Public Library - Library funds 82,619
- Subsequent year expenditures 476,828

City-County Health Department - Subsequent year expenditures 480,299

Downtown Partners - Subsequent year expenditures 61,763
- Loft matching program 11,000

Subtotal – Special Revenue Funds 5,562,633

Debt Service Funds designated for Debt Service TIF No. 4

- Subsequent year expenditures 233,800

Capital Projects Funds designated for

TIF No. 5 Gateway NW Business Park - Subsequent year expenditures 2,043,600

TIF No. 7 Soo Line Development - Subsequent year expenditures 157,625

TIF No. 8 Downtown Development - Subsequent year expenditures 857,958

Street Projects - Subsequent year expenditures 1,255,956

Bridge Projects - Subsequent year expenditures 878,598

Buildings and Equipment - Subsequent year expenditures 3,238,388

Parks and Recreation Projects - Subsequent year expenditures 846,767

Environmental Improvements-Landfill - Subsequent year expenditures 1,735,985

Library Buildings and Equipment - Subsequent year expenditures 1,143,894

Subtotal – Capital Projects Funds 12,158,771

Total Designations – Nonmajor Funds \$ 17,955,204

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

H. NET ASSETS/FUND BALANCES (cont.)

Business-type Activities

Invested in capital assets, net of related debt	
Construction in progress	\$ 3,601,388
Land	15,755,446
Other capital assets, net of accumulated depreciation	135,250,233
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(23,286,335)</u>
Total Invested in Capital Assets	<u>131,320,732</u>
Restricted	
Debt service payments	1,890,138
Equipment replacement	<u>793,000</u>
Total Restricted	<u>2,683,138</u>
Unrestricted	<u>18,485,636</u>
Total Business-type Activities Net Assets	<u>\$ 152,489,506</u>

I. COMPONENT UNITS

Housing Authority

This report contains the Housing Authority of the City of Eau Claire (Housing Authority), which is included as a component unit. Financial information is combined with the City's other component units and presented as a separate column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Masurement Focus

The Housing Authority follows the full accrual basis of accounting and the flow of economic resources measurement focus.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS

I. COMPONENT UNITS (cont.)

b. Deposits and Investments

Total cash and investments at year end consist of the following:

Petty cash and cash on hand	\$ 1,460
Deposits with financial institutions	391,697
Investments	2,030,022
Cash with escrow agent (pooled funds)	<u>1,049,573</u>
Total Cash and Investments	<u>\$ 3,472,752</u>

Reconciliation to financial statements:

Per statement of net assets

Unrestricted cash and investments	\$ 2,423,179
Restricted cash and investments	<u>1,049,573</u>

Total	<u>\$ 3,472,752</u>
-------	---------------------

The Housing Authority has adopted an investment policy. That policy states that the Housing Authority must invest its funds in securities that are approved by the U.S. Department of Housing and Urban Development. As of December 31, 2007, the Housing Authority is in compliance with this policy. The policy does not address the interest rate risk and custodial credit risk that the Housing Authority has with its deposits and investments

Deposits

The Housing Authority's deposits at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 391,697	\$ 453,601	Custodial credit risk

Deposits in each local and area bank are insured by the FDIC in the amount of \$100,000 for interest bearing accounts and \$100,000 for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in determining custodial credit risk.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS

I. COMPONENT UNITS (cont.)

b. Deposits and Investments (cont.)

Investments

The Housing Authority's investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Associated Risks</u>
Negotiable certificates of deposit	\$ 2,030,022	Interest rate risk, custodial credit risk, credit risk

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government). US Bancorp's SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. US Bancorp has purchased SIPC-like protection for supplemental protection of up to \$150,000,000.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the Housing Authority's deposits may not be returned to the Housing Authority.

The Housing Authority does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Housing Authority does not have any investments exposed to custodial credit risk.

Credit Risk

As of December 31, 2007, the Housing Authority had negotiable certificates of deposit that were not rated.

Interest Rate Risk

As of December 31, 2007, the Housing Authority's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Negotiable certificates of deposit	\$ 2,030,022	.299

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

c. Receivables

Accounts Receivable - tenants	\$ 13,753
Less: Allowance for Uncollectibles	(6,110)
Other receivables	<u>1,354</u>
Net Total Receivables	<u>\$ 8,997</u>

All receivables are expected to be collected within one year.

d. Capital asset activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Construction work in progress	\$ 4,505	\$ 216,078	\$ -	\$ 220,583
Land	<u>1,323,399</u>	<u>15,000</u>	<u>4,500</u>	<u>1,333,899</u>
Total Capital Assets Not Being Depreciated	<u>\$ 1,327,904</u>	<u>\$ 231,078</u>	<u>\$ 4,500</u>	<u>\$ 1,554,482</u>
Other Capital Assets				
Land improvements	\$ 790,052	\$ 26,086	\$ 1,670	\$ 814,468
Buildings	14,662,184	329,750	158,462	14,833,472
Machinery and equipment	<u>861,288</u>	<u>92,086</u>	<u>46,673</u>	<u>906,701</u>
Total Capital Assets Being Depreciated	<u>16,313,524</u>	<u>447,922</u>	<u>206,805</u>	<u>16,554,641</u>
Less: Accumulated depreciation for				
Land improvements	(309,205)	(30,430)	1,170	(338,465)
Buildings	(5,229,861)	(416,095)	83,105	(5,562,851)
Machinery and equipment	<u>(425,718)</u>	<u>(77,978)</u>	<u>46,441</u>	<u>(457,255)</u>
Total Accumulated Depreciation	<u>(5,964,784)</u>	<u>(524,503)</u>	<u>130,716</u>	<u>(6,358,571)</u>
Net Other Capital Assets	<u>\$ 10,348,740</u>			<u>\$ 10,196,070</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

e. Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable					
Revenue bonds	\$ 90,000	\$ -	\$ 20,000	\$ 70,000	\$ 20,000
Mortgage notes	1,084,423	-	305,962	778,461	329,813
Other loans/notes	1,008,531	-	8,205	1,000,326	8,424
Subtotals	2,182,954	-	334,167	1,848,787	358,237
Other Liabilities					
Vested compensated absences	46,987	42,728	47,516	42,199	42,199
Total Long-Term Liabilities	<u>\$ 2,229,941</u>	<u>\$ 42,728</u>	<u>\$ 381,683</u>	<u>\$ 1,890,986</u>	<u>\$ 400,436</u>

Revenue bonds are payable only from revenues derived from the operation of the Housing Authority.

Revenue debt payable at December 31, 2007 consists of the following:

Owen Rust Memorial Apartments

Series 1993 housing refunding revenue bonds, \$295,000 face value, payable in semi-annual installments including interest at 2.8% - 5.25% through December 1, 2010.

\$ 70,000

Total Revenue Debt

\$ 70,000

Debt service requirements to maturity are as follows:

	Principal	Interest
2008	\$ 20,000	\$ 3,675
2009	25,000	2,625
2010	25,000	1,313
Totals	<u>\$ 70,000</u>	<u>\$ 7,613</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

e. Long-Term Obligations (cont.)

MORTGAGE NOTES

Mortgage notes are payable only from revenues derived from the operation of the Housing Authority.

Mortgage notes payable at December 31, 2007 consists of the following:

Park Towers Apartments

Mortgage note payable to WHEDA in monthly installments of \$31,434 including interest at 7.53%, through March, 2010. Secured by the project's real estate.	\$ 778,461
Total Mortgage Notes	<u>\$ 778,461</u>

Debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
2008	\$ 329,813	\$ 47,390
2009	355,523	21,680
2010	<u>93,125</u>	<u>1,170</u>
Totals	<u>\$ 778,461</u>	<u>\$ 70,240</u>

OTHER LOANS/NOTES PAYABLE

Other loans and notes payable at December 31, 2007 consist of the following:

Substantial Rehabilitation

1982 note payable to the City of Eau Claire Community Development Block Grant Program, requires monthly installment of \$777, which includes principal and interest at a rate of 5%, with a balloon payment in 2009.	\$ 18,009
--	-----------

Park Towers Apartments

1992 note payable from the City of Eau Claire Community Development Block Grant Program, the note is non-interest bearing and is due on demand should certain conditions be met.	195,462
1991 note payable to the City of Eau Claire, Community Development Block Grant Program. Unsecured, non-interest bearing, and due on demand.	63,000

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

e. Long-Term Obligations (cont.)

OTHER LOANS/NOTES PAYABLE (cont.)

Affordable Housing

2005 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	\$ 213,237
2004 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on January 13, 2023, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	150,000
2001 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on March 1, 2021, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	120,618
1997 note payable to the City of Eau Claire Community Development Block Grant Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	150,000
1996 note payable to the City of Eau Claire HOME Investment Partnerships Program is non-interest bearing and will be forgiven on December 30, 2016, if the property remains in the name of the Housing Authority and is occupied primarily by low income persons. The note is due on demand, if conditions are not met.	<u>90,000</u>
Total Notes Payable	<u>\$ 1,000,326</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

e. Long-Term Obligations (cont.)

Debt service requirements to maturity are as follows:

	Principal	Interest
2008	\$ 8,424	\$ 714
2009	9,585	40
Subtotal	18,009	754
Demand notes with no set payment schedule	982,317	-
Totals	<u>\$ 1,000,326</u>	<u>\$ 754</u>

OTHER DEBT INFORMATION

Estimated payments of compensated absences are not included in the debt service requirement schedules.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The Housing Authority believes it is in compliance with all significant limitations and restrictions.

f. Net Assets

Net assets reported on the statement of net assets at December 31, 2007 include the following:

Invested in capital assets, net of related debt	
Construction in progress	\$ 220,583
Land	1,333,899
Other capital assets, net of accumulated depreciation	10,196,070
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	(1,848,787)
Total Invested in Capital Assets	<u>9,901,765</u>
Restricted	
Escrow for replacement	933,975
Escrow for development costs	114,234
Escrow for taxes	1,364
Total Restricted	<u>1,049,573</u>
Unrestricted	<u>2,319,909</u>
Total Net Assets	<u>\$ 13,271,247</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

g. Employee Retirement System

The Housing Authority is staffed by City of Eau Claire employees and Housing Authority employees.

All eligible City and Housing Authority employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. All permanent employees expected to work over 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (2.9% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers generally make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for Housing Authority employees covered by the WRS for the year ended December 31, 2007 was \$459,158; the employer's total payroll was \$469,136. The total required contribution for the year ended December 31, 2007 was \$48,671 or 10.6 percent of covered payroll. Of this amount, 100 percent was contributed for the current year. Total contributions for the years ending December 31, 2006 and 2005 were \$44,641 and \$40,995, respectively, equal to the required contributions for each year. The City of Eau Claire employees who work for the Housing Authority are covered under the City's plan.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, are immediately vested.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

g. Employee Retirement System (cont.)

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

h. Risk Management

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks, except for workers compensation, are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self-Insurance

The Housing Authority is insured for workers' compensation through the City of Eau Claire. The City of Eau Claire self-insures its workers' compensation exposure for the first \$300,000 of each occurrence. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years. Payments to the City's self-insurance program are based on historical cost estimates of amounts needed to pay prior and current year claims. See note IV.B. for further details.

i. Commitments

The Housing Authority has entered into a Regulatory Agreement with the Wisconsin Housing and Economic Development Authority (WHEDA) for the Park Tower Apartments Fund. The Regulatory Agreement contains, among other things, restrictions on the conveyance, transfer or encumbrance of any of the project property, assumption of additional indebtedness and assignment of rights to manage or receive the rents and profits of the property.

The Housing Authority provides housing for the Park Tower Apartments Fund pursuant to Section 8 of the United States Housing Act of 1974. Rentals are subsidized by the federal government through a housing assistance payments contract between WHEDA and the Housing Authority. Total assistance payments received from WHEDA were \$664,166 during 2007.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

i. Commitments (cont.)

The Housing Authority is the City of Eau Claire's component unit responsible for administering the federal program accounted for in the Low Rent Fund. This fund accounts for public housing projects which were financed primarily through U.S. Department of Housing and Urban Development (HUD) project notes. Federal legislation was passed which allowed the Secretary of HUD to forgive the outstanding indebtedness related to public housing projects.

There is no project debt outstanding at year-end.

The Housing Authority has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

j. Related Parties

The City of Eau Claire, Wisconsin provides various administrative services and facilities to the Housing Authority. No estimate of cost for these services is included in the financial statements. The City also pays for the Housing Authority's pension plan and other employee benefits for which the Housing Authority reimburses the City on a monthly basis. No liability has been provided in these financial statements for any unfunded actuarial liability that may exist.

k. Economic Dependency

The Housing Authority is economically dependent on annual contributions and grants from the U.S. Department of Housing and Urban Development (HUD). The Housing Authority operates at a loss prior to receiving contributions and grants from HUD.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

Redevelopment Authority

This report contains the Redevelopment Authority of the City of Eau Claire (RDA), which is included as a component unit. Financial information is combined with the City's other component units and presented as a separate column in the statement of net assets and statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting

The RDA prepares its financial statements in accordance with the accrual basis of accounting and the flow of economic resources measurement focus.

b. Deposits and Investments

The RDA is part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the RDA's resources at these institutions cannot be determined individually for those accounts. At year end, the RDA's deposits were \$1,147,207. The City's investment policy is applied to the custody of the RDA's deposits (see Note III.A.).

Interest income is not allocated to the RDA because the City provides services to the RDA at no cost.

c. Capital Assets

Capital asset held for resale activity for the year ended December 31, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Property held for resale	\$ 3,535,860	\$ 201,113	\$ 1,805,699	\$ 1,931,274
Total Capital Assets Not Being Depreciated	<u>\$ 3,535,860</u>	<u>\$ 201,113</u>	<u>\$ 1,805,699</u>	<u>\$ 1,931,274</u>

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

d. Net Assets

Net assets reported on the statement of net assets at December 31, 2007 includes the following:

Invested in capital assets	
Property held for resale	\$ 1,931,274
Unrestricted	<u>1,683,873</u>
Total Net Assets	<u>\$ 3,615,147</u>

e. Risk Management

The RDA participates in the same risk pools as the reporting entity. Information related specifically to the RDA is unavailable. See note IV.B. for further details.

f. Commitments

The RDA has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

g. Related Parties

The City of Eau Claire, Wisconsin provides various administrative services and facilities to the RDA. No estimate of cost for these services is included in the financial statements. The salaries and fringe benefits of the City's staff that work on RDA projects are paid for by the City. The RDA does not reimburse the City for any of these costs.

h. Development and Purchase Agreement

The RDA has entered into a development and purchase agreement with Phoenix Parkside, LLC (PPL). The agreement sets the purchase price for Phase I property at \$600,000, payable by PPL to the RDA in ten equal annual payments of \$60,000 each beginning in 2009. The RDA shall grant PPL a Redevelopment Land Credit of up to \$600,000 towards the purchase price of the land subject to an increase in the assessed valuation of the property.

In addition, PPL shall receive from the City of Eau Claire an annual payment equal to 50% of the property taxes received by the City each year on the incremental increased assessed value of the Phase I property and improvements. In calculating the amount due to PPL, the incremental increased fair market value of the Phase I property shall be reduced by the \$600,000 purchase price discussed above. Also, the 50% of the tax increments due to PPL shall be reduced each year by the amount corresponding to the Redevelopment Land Credit discussed above. PPL shall receive 50% of the tax increments on the Phase I property until they have received a maximum \$900,000 payment, or until the termination of the District, whichever occurs first.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

I. COMPONENT UNITS (cont.)

Business Improvement Districts

a. Basis of Accounting and Measurement Focus

The business improvement districts prepare their financial statements in accordance with the modified accrual basis of accounting. The measurement focus of the BIDs is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity.

b. Deposits and Investments

The BIDs are part of the City of Eau Claire's cash and investment pool. The custodial credit risk pertaining specifically to the BIDs' resources at these institutions cannot be determined individually for those accounts. The City's investment policy is applied to the custody of the BIDs' deposits (see Note III.A.).

At year end, the deposit balances for the BIDs were as follows:

Downtown	<u>\$ 50,204</u>
West Grand	<u>\$ 9,068</u>
Water Street	<u>\$ 43,803</u>
North Barstow/Medical	<u>\$ 91,029</u>

J. TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate debt service and capital projects funds which account for five Tax Incremental Financing Districts (TIF) created in prior years in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Eau Claire.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE III – DETAILED NOTES ON ALL FUNDS (cont.)

J. TAX INCREMENTAL FINANCING DISTRICTS (cont.)

Debt service and capital project funds are maintained to account for tax increment and other revenues used to finance principal and interest payments on outstanding debt applicable to the districts. TIF No. 4 was terminated during 2003. The City still maintains a debt service fund for TIF No. 4. Surplus funds will be used to pay the remaining debt outstanding in TIF No. 4.

	Effective Date	Amended Date	Expenditure Deadline	Termination Year
TIF No. 4	1992	N/A	2002	03/25/2003
TIF No. 5	1997	09/23/03	09/23/15	10/08/2020
TIF No. 6	1997	N/A	01/28/15	01/28/2020
TIF No. 7	1997	02/24/04	02/24/15	03/17/2020
TIF No. 8	2003	N/A	09/24/20	09/24/2025

Upon termination, the incremental tax base created by each TIF will become part of the City's regular tax base. Any surplus remaining in the TIF fund at the time of termination will be allocated among all affected taxing jurisdictions.

The following table summarizes the project and expenditures from creation of the districts through December 31, 2007.

Project Costs	TIF No. 4	TIF No. 5	TIF No. 6	TIF No. 7	TIF No. 8
Capital expenditures	\$ 7,060,286	\$ 5,205,185	\$ 1,130,256	\$ 1,529,140	\$ 8,416,066
Interest and fiscal charges	2,859,656	1,631,209	519,111	836,363	1,291,063
Tax refund	142,198	-	-	-	-
Bond issuance costs	62,670	25,342	2,160	5,710	5,998
Total Project Costs	10,124,810	6,861,736	1,651,527	2,371,213	9,713,127
Project Revenues					
Tax increments	8,809,213	2,912,651	1,262,773	630,760	705,012
Interest income and misc. revenue	1,632,836	816,399	202,697	343,080	1,100,726
Special assessments revenue	-	-	205,717	-	-
Total Project Revenues	10,442,049	3,729,050	1,671,187	973,840	1,805,738
Net Recoverable Costs (Refundable)	\$ (317,239)	\$ 3,132,686	\$ (19,660)	\$ 1,397,373	\$ 7,907,389

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All permanent employees expected to work at least 600 hours a year are eligible to participate in the WRS. Covered employees in the General category are required by statute to contribute 5.9% of their salary (2.9% for Executives and Elected Officials, 5.0% for Protective Occupations with Social Security, and 3.3% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for City employees covered by the WRS for the year ended December 31, 2007 was \$31,301,014; the employer's total payroll was \$32,597,063. The total required contribution for the year ended December 31, 2007 was \$4,805,124 or 15.4 percent of covered payroll. Of this amount, 100 percent was contributed by the employer for the current year. Total contributions for the years ending December 31, 2006 and 2005 were \$4,567,459 and \$4,446,060, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension related debt for the City as of December 31, 2007, was \$9,736,790. This liability was determined in accordance with provisions of GASB Statement No. 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

In addition to the above mentioned retirement system, the State of Wisconsin administers an agent multiple-employer plan which covers 18 retired employees of the City police and fire departments. These individuals were covered by a private pension plan prior to the City joining the system. No new employees are added to the plan. The City's policy is to fund retirement contributions to meet current benefit payments of these retired employees (i.e. "pay as you go"). Contributions are not actuarially determined. The total cost for 2007 was approximately \$99,434. Total estimated unfunded pension-related debt of this plan is approximately \$482,316 as of December 31, 2007, all of which relates to retirees and beneficiaries currently receiving benefits. Total cost for the year ended December 31, 2006 and 2005 was \$119,451 and \$129,625, respectively, equal to required contributions for each year. The rate of investment return is presently assumed to be 8%. The estimated remaining period of amortization is 14 years. This information is included in the above pension plan. The report can be obtained from the same address above.

The Wisconsin Retirement System also manages a duty disability plan under Section 40.65 of the Wisconsin Statutes. This plan pays lifetime disability benefits to police and fire employees who sustain on-the-job injuries that prevent them from continuing employment. The costs of this program are charged to the City as a percent of current police and fire wages. In 2007, 15 former employees participated in the program at a cost of \$786,406. The estimated present value of future costs for this program is \$3,581,784.

Under an earlier provision of the law, employers were directly responsible for the administration of duty disability payments. During 2007, three former employees were paid a total of \$27,980. The estimated present value of future costs of these benefits is \$251,655.

B. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; health care of its employees, and natural disaster. The City purchases commercial insurance to provide coverage for employee health, property damage, and boiler insurance. However, workers compensation risks are accounted for and financed by an internal service fund – the Risk Management fund.

Self Insurance

For workers' compensation claims, the uninsured risk of loss is \$300,000 per incident. The City has purchased excess insurance from WMMIC for claims in excess of those amounts. Settled claims have not exceeded the excess coverage in any of the past three years.

All funds of the City participate in the insurance program and make payments to the Risk Management fund. Amounts payable to the Risk Management fund are based on historical cost estimates of the amounts necessary to pay prior and current year claims.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

The unpaid claims liability of \$1,825,540 at December 31, 2007 is based on GASB Statement No. 10 which requires that a liability for claims be established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The liability is based on actuarial estimates of the present value of unpaid losses and includes both current claims payable and an amount for claims that have been incurred but not reported. The City does not allocate overhead costs or other nonincremental costs to the claims liability. The liability at year end includes \$1,186,064 of potential workers compensation claims and \$639,476 for potential liability claims. Changes in unpaid claims liabilities in the current and prior year were:

Claims Liability

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims – Beginning of Year	\$ 1,147,655	\$ 1,295,806
Current year claims and changes in estimates	1,417,973	1,376,422
Claim payments	<u>(1,269,822)</u>	<u>(846,688)</u>
Unpaid Claims – End of Year	<u>\$ 1,295,806</u>	<u>\$ 1,825,540</u>

Public Entity Risk Pool

Transit Mutual Insurance Corporation of Wisconsin (TMICOW)

The Transit Mutual Insurance Corporation of Wisconsin was formed by 21 Wisconsin municipalities which have joined together for the managing and funding of the first party property losses and third party liability claims of its member municipalities mass transit funds.

In 2007, the TMICOW is protected by a \$2,000,000 self-insurance limit and a \$5,000,000 excess insurance policy issued by General Reinsurance Corporation effective January 1, 2007 through December 31, 2007. TMICOW provides \$7,000,000 in first dollar liability coverage.

Management consists of a board of directors comprised of one representative for each member. The City does not exercise any control over the activities of the agency beyond its representation on the board of directors.

Initial contributions are determined in advance of each membership year. The board of directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit attributable to a membership year during which they were a member. The City's share of operations is 4.04% for auto liability and 6.66% for physical damage. A list of the other members and their share of participation is available in the TMICOW report which is available from TMICOW, P.O. Box 1772, Appleton, WI 54912-1772.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Public Entity Risk Pool (cont.)

Wisconsin Municipal Mutual Insurance Company (WMMIC)

The Wisconsin Municipal Mutual Insurance Company (WMMIC) is an intergovernmental cooperation commission created by contract under Section 66.30 of the Wisconsin Statutes, which has provided risk management and liability insurance services since January 1, 1988. Each member municipality appoints one policy holder to serve as a representative. The policy holders elect a seven member board of directors who are responsible for financing and budget control. The City does not exercise any control over the activities of the agencies beyond the election of officers and board. The City's initial capitalization of \$766,496 is recorded as an asset in the Risk Management internal service fund.

Insurance coverage provided through WMMIC includes auto and public liability for claims over \$100,000 per occurrence or \$300,000 aggregate for years 1988-94 and \$200,000 per occurrence or \$500,000 aggregate for years 1995-97, and \$200,000 per occurrence or \$400,000 aggregate in 1999 through 2006, with an annual cap of \$5 million. The policy is non-assessable, thereby limiting the City's commitment to a proportional share of a \$13,935,000 revenue bond issue sold by WMMIC to provide for the initial capitalization. The share of participation is determined on a basis of prior claim history and can be affected by acceptance of new members. The City's current share of participation is 3.62%.

C. COMMITMENTS AND CONTINGENCIES

Funding for the operating budget of the City comes from many sources, including property taxes, grants and aids from other units of government, user fees, fines and permits, and other miscellaneous revenues. The State of Wisconsin provides a variety of aid and grant programs which benefit the City. Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature, through their budget processes. The State of Wisconsin is currently experiencing budget problems, and is considering numerous alternatives including reducing aid to local governments. Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on the future operating results of the City.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

At December 31, 2007, the City had contracts for construction projects on which work had not been completed or billed. These commitments are normal ongoing construction including maintenance of streets, storm sewers, and utility mains. They also include major equipment ordered but not delivered. No reservations of retained earnings have been made for the proprietary fund amounts.

<u>Capital Projects</u>	
Street Projects	\$ 1,498,727
Bridge Projects	15,000
Parks and Recreation Projects	51,310
Environmental Improvements - Landfill	<u>2,689</u>
Total Committed Construction	<u>\$ 1,567,726</u>
 <u>Proprietary Funds</u>	
Water Utility	\$ 237,887
Sewer Utility	242,884
Storm Water Utility	268,779
Central Equipment	<u>253,947</u>
Total Committed Construction and Equipment	<u>\$ 1,003,497</u>

D. OTHER POSTEMPLOYMENT BENEFITS

In addition to providing pension benefits, the City provides certain contractually defined health care benefits for retired employees. Substantially all of the City's permanent employees may become eligible to receive an employer paid health care retirement benefit. Generally, the City will pay 100% of the lowest-priced single health policy between the age established by the Wisconsin Retirement System as normal retirement age and age sixty-five.

The cost of retiree health care benefits is recognized as an expenditure in the General fund as premiums are paid. During 2007, \$950,951 was paid on behalf of 120 retired employees.

As of December 31, 2007 the estimated present value of future costs to provide retiree health care benefits for current participants is \$8,480,538. This liability is adjusted annually based on estimated health care costs and actual levels of participation.

E. CONTINGENT LIABILITIES

The City had the usual and customary types of miscellaneous claims pending at year end. At the present time, there is no significant litigation pending.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

E. CONTINGENT LIABILITIES (cont.)

The City owned and operated a landfill in the Town of Union which closed in 1978. Tests have detected volatile organic compounds in the vicinity. The City is currently working with other potentially responsible parties (PRP's) and the Wisconsin Department of Natural Resources to determine the extent of contamination and the appropriate remedial action. Ultimate cleanup cost estimates are not available; however, it is expected to exceed several million dollars. The City's share of these costs has not been determined but it is likely that it will share in these costs.

F. RELATED PARTIES

Gateway Industrial Park Corporation (Gateway), a Wisconsin non-stock, non-profit corporation was organized in 1984 for the purpose of acquiring, owning, and developing industrial and commercial property in Eau Claire County. The Board of Directors of Gateway is comprised of three members who serve indefinite terms and exercise equal control over the management of the company. The City, Xcel, and the Eau Claire Area Industrial Development Corporation each appoint one director.

In April, 1991, the City, Xcel, the Industrial Development Corporation, and Gateway signed an agreement to provide Gateway with loans up to \$960,000 (increased to \$3,000,000 in 1995) for the acquisition and development of industrial property. As of December 31, 2007, the outstanding loans under the agreement were \$1,100,000, of which \$550,000 was due the City. Total interest earned by the City was \$39,875 for the year ended December 31, 2007.

Downtown Eau Claire, Incorporated (DECI), a Wisconsin non-stock, non-profit corporation was organized in 2002 for the purpose of promoting the development of business, housing and cultural resources and activities with downtown Eau Claire. The Board of Directors of the corporation consists of eighteen individuals, of which ten are elected directors and eight are perpetual directors. Four of the elected directors represent downtown and the adjacent neighborhoods and six of the elected directors reflect the diverse balance of downtown's major employers, financial institutions, property owners, business, and non-business activities.

The eight perpetual directors consist of representatives or appointees of the following: Eau Claire City Manager, Eau Claire City Council President, Redevelopment Authority, Eau Claire County Board, Downtown Business Improvement District, West Grand Business Improvement District, Regional Arts Council and Eau Claire City Council. Downtown Eau Claire, Incorporated is funded primarily by memberships and festival revenue. The City of Eau Claire has contributed \$85,000, the Downtown Business Improvement District contributed \$26,000, the Water Street Business Improvement District contributed \$666, and the North Barstow/Medical Business Improvement District contributed \$5,000 in 2007 for a budget of \$116,666.

CITY OF EAU CLAIRE

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

NOTE IV – OTHER INFORMATION (cont.)

G. SUBSEQUENT EVENTS

On May 8, 2008, the City issued Taxable General Obligation Promissory Note Series 2008 for \$7,982,000 to pay off the City's unfunded pension liability.

The City council has also approved issuance of the following:

- G.O. Corporate Purpose Bonds 2008A for \$6,240,000 to fund various City projects
- G.O. Corporate Purpose Bonds 2008B for \$2,015,000 to fund various City projects
- G.O. Corporate Purpose Bonds 2008C for \$8,145,000 to pay off the May 8, 2008 note

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL FUND For the Year Ended December 31, 2007

	2007			
	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 23,093,800	\$ 23,093,800	\$ 23,034,620	\$ (59,180)
Special assessments	79,000	79,000	100,067	21,067
Intergovernmental	12,279,200	12,566,800	12,602,143	35,343
Licenses and permits	1,492,100	1,492,100	1,596,494	104,394
Fines, forfeitures and penalties	721,000	721,000	886,185	165,185
Charges for services	1,947,600	1,947,600	2,230,189	282,589
Charges for services - intergovernmental	2,547,900	2,547,900	2,525,628	(22,272)
Investment income	1,718,100	1,718,100	2,323,981	605,881
Miscellaneous	578,800	631,700	181,080	(450,620)
Total Revenues	<u>44,457,500</u>	<u>44,798,000</u>	<u>45,480,387</u>	<u>682,387</u>
EXPENDITURES				
Current				
City council	130,500	130,900	109,285	21,615
Administrative services	1,160,800	1,198,200	1,191,091	7,109
Legal	452,200	452,200	434,902	17,298
Finance	2,371,600	2,405,000	2,134,400	270,600
Human resources	742,900	769,700	769,611	89
Planning and development	1,186,100	1,215,100	1,058,003	157,097
Police	13,001,600	13,700,700	13,700,673	27
Fire	8,821,800	9,650,300	9,650,265	35
Public works	8,023,400	8,144,400	7,611,320	533,080
Parks and recreation	4,234,400	4,356,300	4,356,286	14
Miscellaneous	2,404,900	1,108,800	630,461	478,339
Total Expenditures	<u>42,530,200</u>	<u>43,131,600</u>	<u>41,646,297</u>	<u>1,485,303</u>
Excess of revenues over expenditures	<u>1,927,300</u>	<u>1,666,400</u>	<u>3,834,090</u>	<u>2,167,690</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,787,800	1,825,600	1,787,854	(37,746)
Transfers to other funds	(6,574,700)	(6,574,700)	(6,143,693)	431,007
Sale of capital assets	12,000	12,000	21,249	9,249
Total Other Financing Sources (Uses)	<u>(4,774,900)</u>	<u>(4,737,100)</u>	<u>(4,334,590)</u>	<u>402,510</u>
Net change in fund balances	(2,847,600)	(3,070,700)	(500,500)	2,570,200
FUND BALANCE - Beginning of Year	<u>15,273,042</u>	<u>15,273,042</u>	<u>15,273,042</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,425,442</u>	<u>\$ 12,202,342</u>	<u>\$ 14,772,542</u>	<u>\$ 2,570,200</u>

See accompanying notes to required supplementary information.

CITY OF EAU CLAIRE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION December 31, 2007

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

SUPPLEMENTARY INFORMATION

Major Funds - Governmental

The **General Fund** is the general operating fund of the City used to account for all transactions except those required to be accounted for in other funds.

The **Debt Service – General** fund accounts for all general obligation debt service except the debt paid primarily from taxes generated by tax increment districts. This debt is backed by the full faith and credit of the City.

CITY OF EAU CLAIRE
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and short term investments	\$ 10,353,264	\$ 10,558,648
Receivables		
Taxes		
Current	24,488,703	22,833,966
Delinquent personal property	133,072	112,859
Total Taxes	<u>24,621,775</u>	<u>22,946,825</u>
Accounts receivable	1,774,556	1,085,902
Notes receivable	25,000	25,000
Special assessments:		
Installment	8,991	8,874
Interest	<u>574,779</u>	<u>623,046</u>
Total Receivables	27,005,101	24,689,647
Inventories and prepayments	97,431	42,748
Due from other funds	209,086	236,942
Due from other governments	274,738	234,824
Advance to other funds	<u>4,813,519</u>	<u>5,301,884</u>
 TOTAL ASSETS	 <u>\$ 42,753,139</u>	 <u>\$ 41,064,693</u>

	2007	2006
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 484,926	\$ 389,586
Accrued liabilities	1,176,422	1,285,630
Deposits	308,133	327,955
Due to other governments	10,722	31,771
Due to component unit	10,405	4,402
Deferred revenue	25,989,989	23,752,307
Total Liabilities	27,980,597	25,791,651
Fund Balance		
Reserved		
For notes receivable	25,000	25,000
For prepaid items and inventories	97,431	42,748
For advances to other funds	4,289,676	4,813,519
Total Reserved	4,412,107	4,881,267
Unreserved		
Designated		
For Highway 53 maintenance	246,863	-
For working capital	3,700,000	3,700,000
For subsequent year expenditures	1,774,769	3,023,752
Total Designated	5,721,632	6,723,752
Undesignated	4,638,803	3,668,023
Total Unreserved	10,360,435	10,391,775
Total Fund Balance	14,772,542	15,273,042
TOTAL LIABILITIES AND FUND BALANCE	\$ 42,753,139	\$ 41,064,693

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007
With Comparative Actual Totals for the Year Ended December 31, 2006

	2007				2006
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
TAXES					
Real and personal property	\$ 22,759,300	\$ 22,759,300	\$ 22,724,808	\$ (34,492)	\$ 22,078,994
Mobile home fees	80,000	80,000	65,720	(14,280)	79,463
Payment in lieu of taxes:					
Other	248,500	248,500	240,869	(7,631)	288,372
Interest on delinquent taxes	6,000	6,000	3,223	(2,777)	3,185
Total Taxes	<u>23,093,800</u>	<u>23,093,800</u>	<u>23,034,620</u>	<u>(59,180)</u>	<u>22,450,014</u>
SPECIAL ASSESSMENTS					
Current	79,000	79,000	99,263	20,263	75,918
Installment	-	-	804	804	264
Total Special Assessments	<u>79,000</u>	<u>79,000</u>	<u>100,067</u>	<u>21,067</u>	<u>76,182</u>
INTERGOVERNMENTAL					
Federal aid	-	269,700	223,608	(46,092)	193,339
State aid					
Shared taxes	7,483,200	7,483,200	7,483,260	60	7,382,860
Municipal services	600,000	600,000	648,063	48,063	645,604
Utility tax	220,000	220,000	215,499	(4,501)	226,404
Local streets	2,700,000	2,700,000	2,713,809	13,809	2,778,599
Expenditure restraint program	910,000	910,000	937,573	27,573	906,477
Fire insurance	130,000	130,000	121,248	(8,752)	134,643
Underground tank inspections	10,000	10,000	11,568	1,568	11,216
Police training	16,000	20,000	23,200	3,200	20,200
Other	210,000	223,500	223,915	415	260,355
Other local governments	-	400	400	-	-
Total Intergovernmental	<u>12,279,200</u>	<u>12,566,800</u>	<u>12,602,143</u>	<u>35,343</u>	<u>12,559,697</u>
LICENSES AND PERMITS					
Television franchise	735,000	735,000	781,170	46,170	775,963
Licenses	255,100	255,100	325,199	70,099	309,432
Permits	502,000	502,000	490,125	(11,875)	562,545
Total Licenses and Permits	<u>1,492,100</u>	<u>1,492,100</u>	<u>1,596,494</u>	<u>104,394</u>	<u>1,647,940</u>
FINES, FORFEITURES AND PENALTIES					
Parking violation fines	391,000	391,000	504,073	113,073	379,980
County court fines	320,000	320,000	374,024	54,024	378,834
Other fines or forfeitures	10,000	10,000	8,088	(1,912)	7,328
Total Fines and Forfeitures	<u>721,000</u>	<u>721,000</u>	<u>886,185</u>	<u>165,185</u>	<u>766,142</u>

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007

With Comparative Actual Totals for the Year Ended December 31, 2006

	2007			2006
	Budgeted Amounts		Variance with	
	Original	Final	Final Budget	Actual
PUBLIC CHARGES FOR SERVICES				
General government	\$ 55,200	\$ 55,200	\$ 2,850	\$ 67,017
Police and fire	1,256,400	1,256,400	(28,581)	1,523,107
Public works	228,000	228,000	197,781	334,799
Parks and recreation	408,000	408,000	110,539	448,638
Total Charges for Services	1,947,600	1,947,600	282,589	2,373,561
CHARGES FOR SERVICES - INTERGOVERNMENTAL				
Communication center reimbursement	1,060,300	1,060,300	(7,440)	1,000,092
Storm water management charge	313,800	313,800	(12)	376,524
Sewer utility charge	381,300	381,300	12	387,708
Water utility service charge	494,100	494,100	12	507,372
Other service charges	298,400	298,400	(14,844)	313,112
Total Charges for Services - Intergovernmental	2,547,900	2,547,900	(22,272)	2,584,808
INVESTMENT INCOME				
Investment interest	1,350,000	1,350,000	604,868	1,674,600
Interest on advance to other funds	368,100	368,100	35	395,704
Interest on special assessments	-	-	406	10,388
Other interest	-	-	572	16
Total Investment Income	1,718,100	1,718,100	605,881	2,080,708
MISCELLANEOUS				
Rental				
Rental of land and buildings	47,000	47,000	33,760	32,038
Total Rental	47,000	47,000	33,760	32,038
Other				
Donations	-	5,700	2,466	7,130
Other reimbursements and refunds	8,000	55,200	36,954	54,928
Fund balance applied	523,800	523,800	(523,800)	-
Total Other	531,800	584,700	(484,380)	62,058
Total Miscellaneous	578,800	631,700	(450,620)	94,096
Total Revenues	44,457,500	44,798,000	682,387	44,633,148

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007

With Comparative Actual Totals for the Year Ended December 31, 2006

	2007			2006	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
OTHER FINANCING SOURCES					
Transfers from other funds	\$ 617,800	\$ 655,600	\$ 657,376	\$ 1,776	\$ 494,190
Transfer from water utility - PILOT	1,170,000	1,170,000	1,130,478	(39,522)	1,089,403
Sale of capital assets	12,000	12,000	21,249	9,249	37,931
Total Other Financing Sources	1,799,800	1,837,600	1,809,103	(28,497)	1,621,524
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 46,257,300</u>	<u>\$ 46,635,600</u>	<u>\$ 47,289,490</u>	<u>\$ 653,890</u>	<u>\$ 46,254,672</u>

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007

With Comparative Actual Totals for the Year Ended December 31, 2006

	2007				2006
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
EXPENDITURES					
General government					
City council	\$ 130,500	\$ 130,900	\$ 109,285	\$ 21,615	\$ 112,985
Administrative services	439,100	466,300	454,690	11,610	388,096
Information services	721,700	731,900	736,401	(4,501)	725,653
Legal	452,200	452,200	434,902	17,298	420,190
Finance					
Administration	283,900	317,300	269,620	47,680	269,930
Accounting	575,900	575,900	514,117	61,783	540,285
Assessing	645,000	645,000	611,727	33,273	582,083
Customer services	676,100	676,100	618,155	57,945	599,985
Elections	190,700	190,700	120,781	69,919	185,257
Total Finance	2,371,600	2,405,000	2,134,400	270,600	2,177,540
Human resources					
Purchasing	215,400	215,400	196,485	18,915	200,743
Personnel administration	527,500	554,300	573,126	(18,826)	560,323
Total Human Resources	742,900	769,700	769,611	89	761,066
Planning and development					
Community planning	530,800	559,800	451,775	108,025	417,922
Inspection and zoning	655,300	655,300	606,228	49,072	689,905
Total Planning and Development	1,186,100	1,215,100	1,058,003	157,097	1,107,827
Insurance and retirement					
Disability settlement	28,000	-	-	-	-
Total Insurance and Retirement	28,000	-	-	-	-
Total General Government	6,072,100	6,171,100	5,697,292	473,808	5,693,357

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007
With Comparative Actual Totals for the Year Ended December 31, 2006

	2007			2006
	Budgeted Amounts		Variance with	
	Original	Final	Final Budget	Actual
PUBLIC SAFETY				
Police				
Administration	\$ 541,800	\$ 948,200	\$ 923,862	\$ 24,338
Administrative services	1,335,900	1,431,800	1,429,044	2,756
Patrol services	7,614,100	7,752,500	7,766,136	(13,636)
Investigative services	1,995,100	2,047,200	2,104,685	(57,485)
Central communications	1,514,700	1,521,000	1,476,946	44,054
Total Police	13,001,600	13,700,700	13,700,673	27
Fire				
Administration	536,500	845,500	754,757	90,743
Suppression and rescue	7,940,000	8,459,500	8,539,641	(80,141)
Prevention and inspection	345,300	345,300	355,867	(10,567)
Total Fire	8,821,800	9,650,300	9,650,265	35
Total Public Safety	21,823,400	23,351,000	23,350,938	62
PUBLIC WORKS				
Administration	232,900	345,800	331,278	14,522
Operations	6,265,500	6,265,600	5,985,436	280,164
Engineering	1,525,000	1,533,000	1,294,606	238,394
Total Public Works	8,023,400	8,144,400	7,611,320	533,080
CULTURE AND RECREATION				
Administration	349,600	430,100	375,329	54,771
Park maintenance	2,495,100	2,538,500	2,746,623	(208,123)
Forestry	483,900	484,300	434,756	49,544
Recreation and playgrounds	905,800	903,400	799,578	103,822
Total Culture and Recreation	4,234,400	4,356,300	4,356,286	14

CITY OF EAU CLAIRE

DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2007

With Comparative Actual Totals for the Year Ended December 31, 2006

	2007			2006	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
MISCELLANEOUS					
Payments to other organizations	\$ 1,212,400	\$ 756,800	\$ 314,943	\$ 441,857	\$ 321,133
Contractual services	54,100	66,500	49,730	16,770	26,654
Insurance	1,004,700	19,700	-	19,700	33,500
Special assessments	100,000	260,100	260,068	32	79,869
Annexation rebates	5,700	5,700	5,720	(20)	1,320
Total Miscellaneous	<u>2,376,900</u>	<u>1,108,800</u>	<u>630,461</u>	<u>478,339</u>	<u>462,476</u>
Total Expenditures	<u>42,530,200</u>	<u>43,131,600</u>	<u>41,646,297</u>	<u>1,485,303</u>	<u>39,602,245</u>
OTHER FINANCING USES					
Transfers to other funds:					
Special revenue fund	212,200	212,200	199,168	13,032	217,480
Debt service fund	2,963,600	2,963,600	2,852,877	110,723	2,731,055
Capital project funds	1,847,500	1,847,500	1,847,500	-	2,009,900
Proprietary funds	1,551,400	1,551,400	1,244,148	307,252	1,278,385
Total Other Financing Uses	<u>6,574,700</u>	<u>6,574,700</u>	<u>6,143,693</u>	<u>431,007</u>	<u>6,236,820</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 49,104,900</u>	<u>\$ 49,706,300</u>	<u>\$ 47,789,990</u>	<u>\$ 1,916,310</u>	<u>\$ 45,839,065</u>

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL DEBT SERVICE - GENERAL For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	2007			2006	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Special assessments	\$ 1,400,000	\$ 1,400,000	\$ 1,786,581	\$ 386,581	\$ 1,900,906
Charges for services	48,500	48,500	48,500	-	48,500
Investment income	400,000	400,000	662,493	262,493	625,448
Total Revenues	<u>1,848,500</u>	<u>1,848,500</u>	<u>2,497,574</u>	<u>649,074</u>	<u>2,574,854</u>
EXPENDITURES					
Current					
General government	2,600	2,600	2,269	331	2,244
Debt Service					
Principal retirement	3,560,800	3,560,800	3,560,719	81	3,254,346
Interest and fiscal charges	<u>1,363,100</u>	<u>1,363,100</u>	<u>1,240,738</u>	<u>122,362</u>	<u>1,306,732</u>
Total Expenditures	<u>4,926,500</u>	<u>4,926,500</u>	<u>4,803,726</u>	<u>122,774</u>	<u>4,563,322</u>
Excess (deficiency) of revenues over expenditures	<u>(3,078,000)</u>	<u>(3,078,000)</u>	<u>(2,306,152)</u>	<u>771,848</u>	<u>(1,988,468)</u>
OTHER FINANCING SOURCES					
Refunding long term debt issued	-	4,848,600	4,870,000	21,400	-
Premium on long term debt issued	-	-	23,394	23,394	55,312
Payment to escrow agent	-	(4,848,600)	(4,848,560)	40	-
Transfers from other funds	<u>2,963,600</u>	<u>2,963,600</u>	<u>2,852,877</u>	<u>(110,723)</u>	<u>2,731,055</u>
Total Other Financing Sources	<u>2,963,600</u>	<u>2,963,600</u>	<u>2,897,711</u>	<u>(65,889)</u>	<u>2,786,367</u>
Net change in fund balances	<u>(114,400)</u>	<u>(114,400)</u>	<u>591,559</u>	<u>705,959</u>	<u>797,899</u>
FUND BALANCE - Beginning of Year	<u>6,785,284</u>	<u>6,785,284</u>	<u>6,785,284</u>	<u>-</u>	<u>5,987,385</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,670,884</u>	<u>\$ 6,670,884</u>	<u>\$ 7,376,843</u>	<u>\$ 705,959</u>	<u>\$ 6,785,284</u>

Nonmajor Funds - Governmental

Special Revenue Funds

The **Cemetery Maintenance** fund was created to account for the complete operation of two City-owned cemeteries, Lakeview and Forest Hill.

The **Hazardous Materials Response** fund accounts for a 5-year grant from the State of Wisconsin to provide emergency response to incidents involving hazardous materials within a 16 county area of Northwestern Wisconsin.

The **Community Development** fund accounts for activities attributed to the federal Community Development Block Grant program.

The **Home Grant** fund accounts for grants designated for affordable housing development, including weatherization, new construction, rental assistance, and down payment assistance.

The **Economic Development** fund accounts for the financial activities of a loan pool established to provide low interest loans for business expansion. It also accounts for promotional activity to encourage area economic growth.

The **Community Enhancement** fund accounts for collection and disbursement of hotel/motel room taxes, which are used for projects to encourage tourism and increase convention business.

The **Public Library** fund accounts for the collection of revenues, primarily a general tax levy set by the city council and the library board, and the operations of the L.E. Phillips Public Library.

The **City-County Health Department** fund accounts for the collection of revenues, primarily a general tax levy set by the city council and the county board, and for the operations of the City-County Health Department for county-wide health services.

The **Downtown Partners** Fund was created in 2002 as the day-to-day operating fund for Downtown Eau Claire, Inc. (DECI). DECI is the lead organization for issues relating to downtown and is governed by an eighteen member board.

The **Former Landfill Escrow** fund accounts for funds contributed by potential responsible parties (PRP) for an investigation, feasibility study, and possible cleanup operation of the former Blue Valley Landfill site and surrounding area.

Nonmajor Funds – Governmental (cont.)

Debt Service Funds

The **Debt Service – TIF #4** fund accounts for debt funded by taxes resulting from the incremental property values in a defined area on the City's northwest side. This district was created on January 1, 1992 and amended in 1995.

The **Debt Service – TIF #6** fund accounts for debt funded by taxes resulting from the incremental property values in a defined area on the City's northeast side. This district was created in 1997.

Capital Projects Funds

The **TIF #5 Gateway Northwest Business Park** fund accounts for improvements to the industrial development area north and west of the Gateway West Business Park.

The **TIF #7 Soo Line Development Area** fund accounts for public improvements in the downtown area on the site of the former Soo Line depot, as well as City-owned property on Railroad Street, part of Doty Street, and the L.E. Philips Memorial Public Library.

The **TIF #8 Downtown Development Area** fund accounts for acquisition and infrastructure improvements in the North Barstow Redevelopment District.

The **Street Projects** fund accounts for construction and rebuilding of city streets and purchase of land for future street right-of-way.

The **Bridge Projects** fund accounts for construction and major upgrades of City-owned bridges.

The **Buildings and Equipment** fund accounts for acquisition of land for public projects, construction or renovation of City-owned buildings, and major equipment purchases.

The **Parks and Recreation Projects** fund accounts for improvements to parks, stadiums, recreational fields, playgrounds, waterways, and trails.

The **Environmental Improvements – Landfill** fund accounts for development and implementation of a plan to limit environmental damage from two former landfill sites.

The **Library Buildings and Equipment** fund accounts for library building improvements and equipment purchases.

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
ASSETS				
Cash and investments	\$ 5,869,194	\$ 2,126,902	\$ 15,468,008	\$ 23,464,104
Receivables				
Taxes	4,369,650	231,963	931,211	5,532,824
Accounts	479,063	-	10,052	489,115
Notes	6,723,260	-	-	6,723,260
Special assessments	-	10,981	-	10,981
Prepaid items	67,570	-	-	67,570
Due from other governments	208,496	-	886,755	1,095,251
Restricted assets				
Revolving loan sequestered funds	151,778	-	-	151,778
Construction account	-	-	4,218,915	4,218,915
TOTAL ASSETS	\$ 17,869,011	\$ 2,369,846	\$ 21,514,941	\$ 41,753,798
LIABILITIES				
Accounts payable	\$ 184,946	\$ -	\$ 1,620,620	\$ 1,805,566
Accrued liabilities	259,847	-	370	260,217
Deposits	5,773	-	-	5,773
Due to other governments	13,036	-	59,529	72,565
Due to other funds	74,021	-	-	74,021
Due to component unit	27,844	-	-	27,844
Deferred revenues	11,320,121	242,944	1,542,618	13,105,683
Total Liabilities	11,885,588	242,944	3,223,137	15,351,669
FUND BALANCES				
Reserved				
Prepaid items	67,570	-	-	67,570
Grant proceeds	353,220	-	-	353,220
Debt service	-	1,893,102	-	1,893,102
Capital contracts	-	-	1,567,726	1,567,726
Environmental remediation	-	-	346,392	346,392
Bond construction	-	-	4,218,915	4,218,915
Unreserved, designated				
Economic development	950,000	-	-	950,000
Library funds	82,619	-	-	82,619
Subsequent year expenditures	4,409,014	233,800	12,158,771	16,801,585
Loft matching program	11,000	-	-	11,000
Downtown facade loans	10,000	-	-	10,000
Code compliance loans	100,000	-	-	100,000
Total Fund Balances	5,983,423	2,126,902	18,291,804	26,402,129
TOTAL LIABILITIES AND FUND BALANCES	\$ 17,869,011	\$ 2,369,846	\$ 21,514,941	\$ 41,753,798

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
REVENUES				
Taxes	\$ 5,317,292	\$ 204,104	\$ 905,983	\$ 6,427,379
Special assessments	-	10,981	-	10,981
Intergovernmental	2,389,799	2,533	962,464	3,354,796
Licenses and permits	325,572	-	-	325,572
Fines and forfeitures	131,998	-	-	131,998
Charges for services	394,029	-	-	394,029
Charges for services - intergovernmental	1,809,263	-	-	1,809,263
Miscellaneous				
Investment income	281,231	109,986	950,615	1,341,832
Loan repayments	725,183	-	-	725,183
Building rental	78,085	-	-	78,085
Gifts and donations	60,028	-	42,500	102,528
Other	212,273	-	424,990	637,263
Total Revenues	<u>11,724,753</u>	<u>327,604</u>	<u>3,286,552</u>	<u>15,338,909</u>
EXPENDITURES				
Current				
General government	-	182	-	182
Public safety	211,718	-	-	211,718
Public works	81,782	-	-	81,782
Health services	4,665,919	-	-	4,665,919
Culture and recreation	3,461,352	-	12,635	3,473,987
Development	3,611,083	3,219	-	3,614,302
Capital Outlay	-	-	8,118,974	8,118,974
Debt Service				
Principal retirement	-	205,000	545,000	750,000
Interest and fiscal charges	-	76,305	640,123	716,428
Total Expenditures	<u>12,031,854</u>	<u>284,706</u>	<u>9,316,732</u>	<u>21,633,292</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Excess (deficiency) of revenues over expenditures	\$ (307,101)	\$ 42,898	\$ (6,030,180)	\$ (6,294,383)
OTHER FINANCING SOURCES (USES)				
Long term debt issued	-	-	8,940,000	8,940,000
Refunding long term debt issued	-	780,000	3,195,000	3,975,000
Premium on long-term debt issued	-	7,119	135,635	142,754
Payment to escrow agent	-	(779,956)	(3,183,903)	(3,963,859)
Transfers from other funds	338,355	-	2,861,597	3,199,952
Transfers to other funds	(991,560)	-	-	(991,560)
Sale of capital assets	65,050	-	-	65,050
Total Other Financing Sources (Uses)	<u>(588,155)</u>	<u>7,163</u>	<u>11,948,329</u>	<u>11,367,337</u>
Net changes in fund balances	(895,256)	50,061	5,918,149	5,072,954
FUND BALANCES - Beginning of Year	<u>6,878,679</u>	<u>2,076,841</u>	<u>12,373,655</u>	<u>21,329,175</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,983,423</u>	<u>\$ 2,126,902</u>	<u>\$ 18,291,804</u>	<u>\$ 26,402,129</u>

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS December 31, 2007

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant
ASSETS				
Cash and investments	\$ 156,201	\$ 246,934	\$ 246,360	\$ 5,690
Receivables				
Taxes	-	-	-	-
Accounts	4,571	12,506	-	-
Notes	-	-	2,774,046	1,742,614
Prepaid items	-	-	-	-
Due from other governments	-	-	128,824	29,396
Restricted Assets				
Revolving loan sequestered funds	-	-	-	-
TOTAL ASSETS	<u>\$ 160,772</u>	<u>\$ 259,440</u>	<u>\$ 3,149,230</u>	<u>\$ 1,777,700</u>
LIABILITIES				
Accounts payable	\$ 5,936	\$ 27,077	\$ 12,925	\$ 4,135
Accrued liabilities	7,823	-	1,250	449
Deposits	-	-	-	-
Due to other governments	-	-	210	-
Due to other funds	-	-	-	-
Due to component unit	-	-	14,988	12,856
Deferred revenues	4,571	12,506	2,774,046	1,742,614
Total Liabilities	<u>18,330</u>	<u>39,583</u>	<u>2,803,419</u>	<u>1,760,054</u>
FUND BALANCES				
Reserved				
Prepaid items	-	-	-	-
Grant proceeds	-	-	-	17,646
Unreserved, designated				
Economic development	-	-	-	-
Library funds	-	-	-	-
Subsequent year expenditures	142,442	219,857	345,811	-
Loft matching program	-	-	-	-
Downtown facade loans	-	-	-	-
Code compliance loans	-	-	-	-
Total Fund Balances	<u>142,442</u>	<u>219,857</u>	<u>345,811</u>	<u>17,646</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 160,772</u>	<u>\$ 259,440</u>	<u>\$ 3,149,230</u>	<u>\$ 1,777,700</u>

<u>Economic Development</u>	<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 3,801,545	\$ 739	\$ 614,344	\$ 704,210	\$ 78,825	\$ 14,346	\$ 5,869,194
-	-	2,757,900	1,611,750	-	-	4,369,650
-	99,598	302,367	60,021	-	-	479,063
2,189,934	16,666	-	-	-	-	6,723,260
-	-	-	67,570	-	-	67,570
-	-	-	50,276	-	-	208,496
<u>151,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,778</u>
<u>\$ 6,143,257</u>	<u>\$ 117,003</u>	<u>\$ 3,674,611</u>	<u>\$ 2,493,827</u>	<u>\$ 78,825</u>	<u>\$ 14,346</u>	<u>\$ 17,869,011</u>
\$ 5,112	\$ 15,697	\$ 48,877	\$ 51,883	\$ 4,351	\$ 8,953	\$ 184,946
5,013	-	94,352	149,249	1,711	-	259,847
-	-	-	380	-	5,393	5,773
-	-	24	12,802	-	-	13,036
-	62,085	3,877	8,059	-	-	74,021
-	-	-	-	-	-	27,844
<u>2,189,934</u>	<u>16,666</u>	<u>2,968,034</u>	<u>1,611,750</u>	<u>-</u>	<u>-</u>	<u>11,320,121</u>
<u>2,200,059</u>	<u>94,448</u>	<u>3,115,164</u>	<u>1,834,123</u>	<u>6,062</u>	<u>14,346</u>	<u>11,885,588</u>
-	-	-	67,570	-	-	67,570
223,739	-	-	111,835	-	-	353,220
950,000	-	-	-	-	-	950,000
-	-	82,619	-	-	-	82,619
2,659,459	22,555	476,828	480,299	61,763	-	4,409,014
-	-	-	-	11,000	-	11,000
10,000	-	-	-	-	-	10,000
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<u>3,943,198</u>	<u>22,555</u>	<u>559,447</u>	<u>659,704</u>	<u>72,763</u>	<u>-</u>	<u>5,983,423</u>
<u>\$ 6,143,257</u>	<u>\$ 117,003</u>	<u>\$ 3,674,611</u>	<u>\$ 2,493,827</u>	<u>\$ 78,825</u>	<u>\$ 14,346</u>	<u>\$ 17,869,011</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS For the Year Ended December 31, 2007

	Cemetery Maintenance	Hazardous Materials Response	Community Development	Home Grant	Economic Development
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	209,521	715,231	467,379	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	26	-	-	-	-
Charges for services	189,620	6,307	-	-	-
Charges for services - intergovernmental	-	-	-	-	-
Miscellaneous					
Investment income	-	9,090	-	-	265,501
Loan repayments	-	-	575,917	13,522	130,744
Building rental	-	-	-	-	78,085
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	80
Total Revenues	<u>189,646</u>	<u>224,918</u>	<u>1,291,148</u>	<u>480,901</u>	<u>474,410</u>
EXPENDITURES					
Current					
Public safety	-	211,718	-	-	-
Public works	-	-	-	-	-
Health services	388,814	-	-	-	-
Culture and recreation	-	-	-	-	-
Development	-	-	664,972	474,998	1,584,269
Total Expenditures	<u>388,814</u>	<u>211,718</u>	<u>664,972</u>	<u>474,998</u>	<u>1,584,269</u>
Excess (deficiency) of revenues over expenditures	(199,168)	13,200	626,176	5,903	(1,109,859)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	199,168	-	-	-	-
Transfers to other funds	-	-	(520,860)	-	(85,000)
Sale of capital assets	-	-	-	-	65,050
Total Other Financing Sources (Uses)	<u>199,168</u>	<u>-</u>	<u>(520,860)</u>	<u>-</u>	<u>(19,950)</u>
Net change in fund balances	-	13,200	105,316	5,903	(1,129,809)
FUND BALANCES - Beginning of Year	<u>142,442</u>	<u>206,657</u>	<u>240,495</u>	<u>11,743</u>	<u>5,073,007</u>
FUND BALANCES - END OF YEAR	<u>\$ 142,442</u>	<u>\$ 219,857</u>	<u>\$ 345,811</u>	<u>\$ 17,646</u>	<u>\$ 3,943,198</u>

<u>Community Enhancement</u>	<u>Public Library</u>	<u>City-County Health Department</u>	<u>Downtown Partners</u>	<u>Former Landfill Escrow</u>	<u>Totals</u>
\$ 1,048,892	\$ 2,711,500	\$ 1,556,900	\$ -	\$ -	\$ 5,317,292
-	3,220	994,448	-	-	2,389,799
-	-	325,572	-	-	325,572
-	131,972	-	-	-	131,998
-	5,185	111,135	-	81,782	394,029
-	645,525	1,163,738	-	-	1,809,263
-	3,470	3,170	-	-	281,231
5,000	-	-	-	-	725,183
-	-	-	-	-	78,085
-	28,247	-	31,781	-	60,028
1,200	189,313	21,680	-	-	212,273
<u>1,055,092</u>	<u>3,718,432</u>	<u>4,176,643</u>	<u>31,781</u>	<u>81,782</u>	<u>11,724,753</u>
-	-	-	-	-	211,718
-	-	-	-	81,782	81,782
-	-	4,277,105	-	-	4,665,919
-	3,461,352	-	-	-	3,461,352
767,536	-	-	119,308	-	3,611,083
<u>767,536</u>	<u>3,461,352</u>	<u>4,277,105</u>	<u>119,308</u>	<u>81,782</u>	<u>12,031,854</u>
287,556	257,080	(100,462)	(87,527)	-	(307,101)
-	-	54,187	85,000	-	338,355
(279,800)	(105,900)	-	-	-	(991,560)
-	-	-	-	-	65,050
<u>(279,800)</u>	<u>(105,900)</u>	<u>54,187</u>	<u>85,000</u>	<u>-</u>	<u>(588,155)</u>
7,756	151,180	(46,275)	(2,527)	-	(895,256)
<u>14,799</u>	<u>408,267</u>	<u>705,979</u>	<u>75,290</u>	<u>-</u>	<u>6,878,679</u>
<u>\$ 22,555</u>	<u>\$ 559,447</u>	<u>\$ 659,704</u>	<u>\$ 72,763</u>	<u>\$ -</u>	<u>\$ 5,983,423</u>

CITY OF EAU CLAIRE
COMBINING BALANCE SHEET -
NONMAJOR DEBT SERVICE FUNDS
December 31, 2007

	Debt Service - TIF No. 4	Debt Service - TIF No. 6	Totals
ASSETS			
Cash and investments	\$ 1,192,240	\$ 934,662	\$ 2,126,902
Receivables			
Taxes	-	231,963	231,963
Special assessments	-	10,981	10,981
TOTAL ASSETS	<u>\$ 1,192,240</u>	<u>\$ 1,177,606</u>	<u>\$ 2,369,846</u>
LIABILITIES			
Deferred revenues	\$ -	\$ 242,944	\$ 242,944
Total Liabilities	-	242,944	242,944
FUND BALANCES			
Reserved			
Debt service	958,440	934,662	1,893,102
Unreserved, designated			
Subsequent year expenditures	233,800	-	233,800
Total Fund Balances	<u>1,192,240</u>	<u>934,662</u>	<u>2,126,902</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,192,240</u>	<u>\$ 1,177,606</u>	<u>\$ 2,369,846</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS For the Year Ended December 31, 2007

	Debt Service - TIF No. 4	Debt Service - TIF No. 6	Totals
REVENUES			
Taxes	\$ -	\$ 204,104	\$ 204,104
Special assessments	-	10,981	10,981
Intergovernmental	-	2,533	2,533
Miscellaneous			
Investment income	63,146	46,840	109,986
Total Revenues	63,146	264,458	327,604
EXPENDITURES			
Current			
General government	91	91	182
Development	-	3,219	3,219
Debt Service			
Principal retirement	150,000	55,000	205,000
Interest and fiscal charges	48,245	28,060	76,305
Total Expenditures	198,336	86,370	284,706
Excess (deficiency) of revenues over expenditures	(135,190)	178,088	42,898
OTHER FINANCING SOURCES (USES)			
Refunding long-term debt issued	-	780,000	780,000
Premium on long-term debt issued	-	7,119	7,119
Payment to escrow agent	-	(779,956)	(779,956)
Total Other Financing Sources (Uses)	-	7,163	7,163
Net change in fund balances	(135,190)	185,251	50,061
FUND BALANCES - Beginning of Year	1,327,430	749,411	2,076,841
FUND BALANCES - END OF YEAR	\$ 1,192,240	\$ 934,662	\$ 2,126,902

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS December 31, 2007

	TIF No. 5 Gateway NW Business Park	TIF No. 7 Soo Line Development	TIF No. 8 Downtown Development	Street Projects
ASSETS				
Cash and investments	\$ 2,225,343	\$ 157,625	\$ 1,090,486	\$ 3,809,399
Receivables				
Taxes	448,634	124,745	357,832	-
Accounts	-	-	-	-
Due from other governments	-	-	-	42,744
Restricted assets				
Construction account	1,073,714	-	486,352	-
TOTAL ASSETS	<u>\$ 3,747,691</u>	<u>\$ 282,370</u>	<u>\$ 1,934,670</u>	<u>\$ 3,852,143</u>
LIABILITIES				
Accounts payable	\$ 122,214	\$ -	\$ 232,528	\$ 1,054,716
Accrued liabilities	-	-	-	-
Due to other governments	59,529	-	-	-
Deferred revenues	448,634	124,745	357,832	42,744
Total Liabilities	<u>630,377</u>	<u>124,745</u>	<u>590,360</u>	<u>1,097,460</u>
FUND BALANCES				
Reserved				
Capital contracts	-	-	-	1,498,727
Environmental remediation	-	-	-	-
Bond construction	1,073,714	-	486,352	-
Unreserved, designated				
Subsequent year expenditures	2,043,600	157,625	857,958	1,255,956
Total Fund Balances	<u>3,117,314</u>	<u>157,625</u>	<u>1,344,310</u>	<u>2,754,683</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,747,691</u>	<u>\$ 282,370</u>	<u>\$ 1,934,670</u>	<u>\$ 3,852,143</u>

<u>Bridge Projects</u>	<u>Buildings and Equipment</u>	<u>Parks and Recreation Projects</u>	<u>Environmental Improvements- Landfill</u>	<u>Library Buildings & Equipment</u>	<u>Totals</u>
\$ 908,598	\$ 3,090,855	\$ 935,996	\$ 2,087,444	\$ 1,162,262	\$ 15,468,008
-	-	-	-	-	931,211
-	10,000	52	-	-	10,052
-	704,052	125,510	14,449	-	886,755
-	2,658,849	-	-	-	4,218,915
<u>\$ 908,598</u>	<u>\$ 6,463,756</u>	<u>\$ 1,061,558</u>	<u>\$ 2,101,893</u>	<u>\$ 1,162,262</u>	<u>\$ 21,514,941</u>
\$ 15,000	\$ 137,867	\$ 37,919	\$ 2,378	\$ 17,998	\$ 1,620,620
-	-	-	-	370	370
-	-	-	-	-	59,529
-	428,652	125,562	14,449	-	1,542,618
<u>15,000</u>	<u>566,519</u>	<u>163,481</u>	<u>16,827</u>	<u>18,368</u>	<u>3,223,137</u>
15,000	-	51,310	2,689	-	1,567,726
-	-	-	346,392	-	346,392
-	2,658,849	-	-	-	4,218,915
<u>878,598</u>	<u>3,238,388</u>	<u>846,767</u>	<u>1,735,985</u>	<u>1,143,894</u>	<u>12,158,771</u>
<u>893,598</u>	<u>5,897,237</u>	<u>898,077</u>	<u>2,085,066</u>	<u>1,143,894</u>	<u>18,291,804</u>
<u>\$ 908,598</u>	<u>\$ 6,463,756</u>	<u>\$ 1,061,558</u>	<u>\$ 2,101,893</u>	<u>\$ 1,162,262</u>	<u>\$ 21,514,941</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS For the Year Ended December 31, 2007

	TIF No. 5 Gateway NW Business Park	TIF No. 7 Soo Line Development	TIF No. 8 Downtown Development	Street Projects
REVENUES				
Taxes	\$ 449,840	\$ 117,871	\$ 338,272	\$ -
Intergovernmental	12,673	7,207	68,719	375,983
Miscellaneous:				
Investment income	150,139	7,504	70,364	253,215
Gifts and donations	-	-	-	-
Other	-	-	-	72,001
Total Revenues	<u>612,652</u>	<u>132,582</u>	<u>477,355</u>	<u>701,199</u>
EXPENDITURES				
Current				
Culture and recreation	-	-	-	-
Capital Outlay	(70,609)	4,661	1,063,072	4,954,129
Debt Service				
Principal retirement	210,000	85,000	250,000	-
Interest and fiscal charges	283,410	48,004	308,709	-
Total Expenditures	<u>422,801</u>	<u>137,665</u>	<u>1,621,781</u>	<u>4,954,129</u>
Excess (deficiency) of revenues over expenditures	189,851	(5,083)	(1,144,426)	(4,252,930)
OTHER FINANCING SOURCES				
Long-term debt issued	-	-	1,440,000	5,000,000
Refunding long-term debt issued	2,065,000	1,130,000	-	-
Premium on long-term debt issued	9,272	8,965	27,320	50,198
Payment to escrow agent	(2,055,286)	(1,128,617)	-	-
Transfers from other funds	-	-	242,100	500,000
Total Other Financing Sources (Uses)	<u>18,986</u>	<u>10,348</u>	<u>1,709,420</u>	<u>5,550,198</u>
Net change in fund balances	208,837	5,265	564,994	1,297,268
FUND BALANCES - Beginning of Year	<u>2,908,477</u>	<u>152,360</u>	<u>779,316</u>	<u>1,457,415</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,117,314</u>	<u>\$ 157,625</u>	<u>\$ 1,344,310</u>	<u>\$ 2,754,683</u>

Bridge Projects	Buildings and Equipment	Parks and Recreation Projects	Environmental Improvements- Landfill	Library Buildings & Equipment	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 905,983
59,200	210,106	228,576	-	-	962,464
28,960	272,533	29,050	85,870	52,980	950,615
-	1,500	41,000	-	-	42,500
-	342,299	10,690	-	-	424,990
<u>88,160</u>	<u>826,438</u>	<u>309,316</u>	<u>85,870</u>	<u>52,980</u>	<u>3,286,552</u>
-	-	-	-	12,635	12,635
-	1,543,173	415,323	48,498	160,727	8,118,974
-	-	-	-	-	545,000
-	-	-	-	-	640,123
<u>-</u>	<u>1,543,173</u>	<u>415,323</u>	<u>48,498</u>	<u>173,362</u>	<u>9,316,732</u>
88,160	(716,735)	(106,007)	37,372	(120,382)	(6,030,180)
-	2,500,000	-	-	-	8,940,000
-	-	-	-	-	3,195,000
-	39,880	-	-	-	135,635
-	-	-	-	-	(3,183,903)
<u>175,000</u>	<u>1,400,459</u>	<u>343,138</u>	<u>95,000</u>	<u>105,900</u>	<u>2,861,597</u>
<u>175,000</u>	<u>3,940,339</u>	<u>343,138</u>	<u>95,000</u>	<u>105,900</u>	<u>11,948,329</u>
263,160	3,223,604	237,131	132,372	(14,482)	5,918,149
<u>630,438</u>	<u>2,673,633</u>	<u>660,946</u>	<u>1,952,694</u>	<u>1,158,376</u>	<u>12,373,655</u>
<u>\$ 893,598</u>	<u>\$ 5,897,237</u>	<u>\$ 898,077</u>	<u>\$ 2,085,066</u>	<u>\$ 1,143,894</u>	<u>\$ 18,291,804</u>

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Cemetery Maintenance				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Fines and forfeitures	\$ -	\$ -	\$ 26	\$ 26	\$ -
Charges for services	176,000	176,000	189,620	13,620	159,876
Total Revenues	176,000	176,000	189,646	13,646	159,876
EXPENDITURES					
Current					
Health services	388,200	388,900	388,814	86	377,356
Excess (deficiency) of revenues over expenditures	(212,200)	(212,900)	(199,168)	13,732	(217,480)
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	212,200	212,200	199,168	(13,032)	217,480
Total Other Financing Sources (Uses)	212,200	212,200	199,168	(13,032)	217,480
Net change in fund balances	-	(700)	-	700	-
FUND BALANCES - Beginning of Year	142,442	142,442	142,442	-	142,442
FUND BALANCES - END OF YEAR	\$ 142,442	\$ 141,742	\$ 142,442	\$ 700	\$ 142,442

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Hazardous Materials Response				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Intergovernmental	\$ 180,100	\$ 209,600	\$ 209,521	\$ (79)	\$ 180,069
Charges for services	3,000	3,000	6,307	3,307	1,276
Miscellaneous:					
Investment income	1,000	1,000	9,090	8,090	8,310
Total Revenues	184,100	213,600	224,918	11,318	189,655
EXPENDITURES					
Current					
Public safety	242,600	272,100	211,718	60,382	204,156
Excess (deficiency) of revenues over expenditures	(58,500)	(58,500)	13,200	71,700	(14,501)
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	-	-	-	-	(2,805)
Total Other Financing Sources (Uses)	-	-	-	-	(2,805)
Net change in fund balances	(58,500)	(58,500)	13,200	71,700	(17,306)
FUND BALANCES - Beginning of Year	206,657	206,657	206,657	-	223,963
FUND BALANCES - END OF YEAR	\$ 148,157	\$ 148,157	\$ 219,857	\$ 71,700	\$ 206,657

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Economic Development				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Miscellaneous					
Investment income	\$ 183,600	\$ 183,600	\$ 265,501	\$ 81,901	\$ 198,800
Loan repayments	94,100	94,100	130,744	36,644	160,737
Building rental	78,600	78,600	78,085	(515)	82,466
Other	-	-	80	80	41,287
Total Miscellaneous	<u>356,300</u>	<u>356,300</u>	<u>474,410</u>	<u>118,110</u>	<u>483,290</u>
Total Revenues	<u>356,300</u>	<u>356,300</u>	<u>474,410</u>	<u>118,110</u>	<u>483,290</u>
EXPENDITURES					
Current					
Development	575,100	1,650,100	1,584,269	65,831	767,637
Total Expenditures	<u>575,100</u>	<u>1,650,100</u>	<u>1,584,269</u>	<u>65,831</u>	<u>767,637</u>
Excess (deficiency) of revenues over expenditures	<u>(218,800)</u>	<u>(1,293,800)</u>	<u>(1,109,859)</u>	<u>183,941</u>	<u>(284,347)</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(85,000)	(85,000)	(85,000)	-	(87,700)
Sale of capital assets	-	-	65,050	65,050	-
Other Financing Sources (Uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(19,950)</u>	<u>65,050</u>	<u>(87,700)</u>
Net change in fund balances	(303,800)	(1,378,800)	(1,129,809)	248,991	(372,047)
FUND BALANCES - Beginning of Year	<u>5,073,007</u>	<u>5,073,007</u>	<u>5,073,007</u>	<u>-</u>	<u>5,445,054</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,769,207</u>	<u>\$ 3,694,207</u>	<u>\$ 3,943,198</u>	<u>\$ 248,991</u>	<u>\$ 5,073,007</u>

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Community Enhancement				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 1,020,000	\$ 1,020,000	\$ 1,048,892	\$ 28,892	\$ 1,014,312
Miscellaneous:					
Loan repayments	5,000	5,000	5,000	-	5,000
Other	-	1,200	1,200	-	-
Total Revenues	<u>1,025,000</u>	<u>1,026,200</u>	<u>1,055,092</u>	<u>28,892</u>	<u>1,019,312</u>
EXPENDITURES					
Current					
Development	<u>751,000</u>	<u>767,900</u>	<u>767,536</u>	<u>364</u>	<u>768,780</u>
Excess of revenues over expenditures	274,000	258,300	287,556	29,256	250,532
OTHER FINANCING USES					
Transfers to other funds	<u>(279,800)</u>	<u>(279,800)</u>	<u>(279,800)</u>	<u>-</u>	<u>(279,800)</u>
Total Other Financing Uses	<u>(279,800)</u>	<u>(279,800)</u>	<u>(279,800)</u>	<u>-</u>	<u>(279,800)</u>
Net change in fund balances	(5,800)	(21,500)	7,756	29,256	(29,268)
FUND BALANCES - Beginning of Year	<u>14,799</u>	<u>14,799</u>	<u>14,799</u>	<u>-</u>	<u>44,067</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,999</u>	<u>\$ (6,701)</u>	<u>\$ 22,555</u>	<u>\$ 29,256</u>	<u>\$ 14,799</u>

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Public Library				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 2,711,500	\$ 2,711,500	\$ 2,711,500	\$ -	\$ 2,658,300
Intergovernmental	16,000	16,000	3,220	(12,780)	4,407
Fines and forfeitures	135,100	135,100	131,972	(3,128)	133,376
Charges for services	5,200	5,200	5,185	(15)	5,975
Charges for services - intergovernmental	646,900	646,900	645,525	(1,375)	642,154
Miscellaneous:					
Investment income	-	-	3,470	3,470	2,530
Gifts and donations	16,000	16,000	28,247	12,247	17,648
Other	124,600	124,600	189,313	64,713	121,231
Total Miscellaneous	140,600	140,600	221,030	80,430	141,409
Total Revenues	3,655,300	3,655,300	3,718,432	63,132	3,585,621
EXPENDITURES					
Current					
Culture and recreation	3,614,100	3,614,100	3,461,352	152,748	3,308,776
Excess of revenues over expenditures	41,200	41,200	257,080	215,880	276,845
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(105,900)	(105,900)	(105,900)	-	(618,700)
Sale of capital assets	200	200	-	(200)	103
Total Other Financing Sources (Uses)	(105,700)	(105,700)	(105,900)	(200)	(618,597)
Net change in fund balances	(64,500)	(64,500)	151,180	215,680	(341,752)
FUND BALANCES - Beginning of Year	408,267	408,267	408,267	-	750,019
FUND BALANCES - END OF YEAR	\$ 343,767	\$ 343,767	\$ 559,447	\$ 215,680	\$ 408,267

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	City-County Health Department				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes	\$ 1,556,900	\$ 1,556,900	\$ 1,556,900	\$ -	\$ 1,536,700
Intergovernmental	905,100	1,093,000	994,448	(98,552)	909,512
Licenses and permits	324,900	324,900	325,572	672	290,261
Charges for services	129,600	129,600	111,135	(18,465)	116,470
Charges for services - intergovernmental	1,134,500	1,134,500	1,163,738	29,238	1,169,517
Miscellaneous:					
Investment income	1,000	1,000	3,170	2,170	2,110
Other	20,200	20,200	21,680	1,480	19,503
Total Miscellaneous	21,200	21,200	24,850	3,650	21,613
Total Revenues	4,072,200	4,260,100	4,176,643	(83,457)	4,044,073
EXPENDITURES					
Current:					
Health services	4,245,900	4,611,100	4,277,105	333,995	4,024,175
Excess of revenues over expenditures	(173,700)	(351,000)	(100,462)	250,538	19,898
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	53,300	53,300	54,187	887	55,527
Net change in fund balances	(120,400)	(297,700)	(46,275)	251,425	75,425
FUND BALANCES - Beginning of Year	705,979	705,979	705,979	-	630,554
FUND BALANCES - END OF YEAR	\$ 585,579	\$ 408,279	\$ 659,704	\$ 251,425	\$ 705,979

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Downtown Partners				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Miscellaneous					
Gifts and donations	\$ 31,000	\$ 31,800	\$ 31,781	\$ (19)	\$ 32,870
Total Revenues	31,000	31,800	31,781	(19)	32,870
EXPENDITURES					
Current					
Development	139,300	135,100	119,308	15,792	113,928
Excess (deficiency) of revenues over expenditures	(108,300)	(103,300)	(87,527)	15,773	(81,058)
OTHER FINANCING SOURCES					
Transfers from other funds	85,000	85,000	85,000	-	87,700
Net change in fund balances	(23,300)	(18,300)	(2,527)	15,773	6,642
FUND BALANCES - Beginning of Year	75,290	75,290	75,290	-	68,648
FUND BALANCES - END OF YEAR	\$ 51,990	\$ 56,990	\$ 72,763	\$ 15,773	\$ 75,290

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Former Landfill Escrow				
	2007			2006	
	Budgeted Amounts		Actual	Variance with	
	Original	Final		Final Budget	Actual
REVENUES					
Miscellaneous					
Charges for services	\$ 150,000	\$ 150,000	\$ 81,782	\$ (68,218)	\$ 66,756
Total Revenues	150,000	150,000	81,782	(68,218)	66,756
EXPENDITURES					
Current					
Public works	150,000	150,000	81,782	68,218	66,756
Net change in fund balances	-	-	-	-	-
FUND BALANCES - Beginning of Year	-	-	-	-	-
FUND BALANCES - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Debt Service - TIF No. 4				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Miscellaneous:					
Investment income	\$ 40,000	\$ 40,000	\$ 63,146	\$ 23,146	\$ 69,872
Total Revenues	40,000	40,000	63,146	23,146	69,872
EXPENDITURES					
Current					
General government	100	100	91	9	100
Debt Service					
Principal retirement	150,000	150,000	150,000	-	140,000
Interest and fiscal charges	48,800	48,800	48,245	555	55,460
Total Expenditures	198,900	198,900	198,336	564	195,560
Net change in fund balances	(158,900)	(158,900)	(135,190)	23,710	(125,688)
FUND BALANCES - Beginning of Year	1,327,430	1,327,430	1,327,430	-	1,453,118
FUND BALANCES - END OF YEAR	\$ 1,168,530	\$ 1,168,530	\$ 1,192,240	\$ 23,710	\$ 1,327,430

CITY OF EAU CLAIRE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL NONMAJOR GOVERNMENTAL FUNDS (WITH ANNUAL BUDGETS) For the Year Ended December 31, 2007 With Comparative Actual Totals for the Year Ended December 31, 2006

	Debt Service - TIF No. 6				
	2007			2006	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
REVENUES					
Taxes					
Real and personal property	\$ 208,000	\$ 208,000	\$ 204,104	\$ (3,896)	\$ 199,712
Special assessments	11,000	11,000	10,981	(19)	10,981
Intergovernmental	1,000	1,000	2,533	1,533	1,818
Miscellaneous					
Investment income	15,500	15,500	46,840	31,340	38,993
Total Revenues	235,500	235,500	264,458	28,958	251,504
EXPENDITURES					
Current					
General government	100	100	91	9	90
Development	-	-	3,219	(3,219)	-
Debt Service					
Principal retirement	55,000	55,000	55,000	-	50,000
Interest and fiscal charges	48,100	48,100	28,060	20,040	50,607
Total Expenditures	103,200	103,200	86,370	16,830	100,697
Excess (deficiency) of revenues over expenditures	132,300	132,300	178,088	45,788	150,807
OTHER FINANCING SOURCES (USES)					
Refunding long-term debt issued	-	780,000	780,000	-	-
Premium on long-term debt issued	-	-	7,119	(7,119)	-
Payment to escrow agent	-	(780,000)	(779,956)	(44)	-
Total Other Financing Sources (Uses)	-	-	7,163	(7,163)	-
Net change in fund balances	132,300	132,300	185,251	38,625	150,807
FUND BALANCES - Beginning of Year	749,411	749,411	749,411	-	598,604
FUND BALANCES - END OF YEAR	\$ 881,711	\$ 881,711	\$ 934,662	\$ 38,625	\$ 749,411

Nonmajor Enterprise Funds

The **Parking Utility** fund accounts for the construction, operations, and maintenance of the municipal parking facilities, including two ramps and various surface lots.

The **Hobbs Ice Center** fund accounts for the construction, operations, and maintenance of the municipal hockey and ice skating facility.

The **Outdoor Pool** fund accounts for the construction, operations, and maintenance of the outdoor swimming pool.

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2007

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 214,184	\$ 452,511	\$ 213,503	\$ 880,198
Other	2,287	29,660	18,622	50,569
Total Operating Revenues	<u>216,471</u>	<u>482,171</u>	<u>232,125</u>	<u>930,767</u>
OPERATING EXPENSES				
Personal services	141,918	295,625	171,107	608,650
Contractual services	65,917	22,814	34,989	123,720
Supplies and materials	6,573	45,412	59,185	111,170
Utilities	46,083	160,209	42,702	248,994
Depreciation	193,824	64,957	52,077	310,858
Total Operating Expenses	<u>454,315</u>	<u>589,017</u>	<u>360,060</u>	<u>1,403,392</u>
Operating loss	<u>(237,844)</u>	<u>(106,846)</u>	<u>(127,935)</u>	<u>(472,625)</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest expense	-	-	(11,555)	(11,555)
Amortization	-	-	(1,600)	(1,600)
Total Non-Operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>(13,155)</u>	<u>(13,155)</u>
Loss before operating transfers	(237,844)	(106,846)	(141,090)	(485,780)
Transfers from other funds	<u>124,500</u>	<u>132,689</u>	<u>263,313</u>	<u>520,502</u>
Income (loss) before contributions	(113,344)	25,843	122,223	34,722
Capital Contributions	<u>422,506</u>	<u>-</u>	<u>-</u>	<u>422,506</u>
Change in net assets	309,162	25,843	122,223	457,228
NET ASSETS - Beginning of Year	<u>3,898,922</u>	<u>1,409,903</u>	<u>955,232</u>	<u>6,264,057</u>
NET ASSETS - END OF YEAR	<u>\$ 4,208,084</u>	<u>\$ 1,435,746</u>	<u>\$ 1,077,455</u>	<u>\$ 6,721,285</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2007

	Parking Utility	Hobbs Ice Center	Outdoor Pool	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 209,656	\$ 473,768	\$ 233,843	\$ 917,267
Cash paid to suppliers for goods and services	(123,715)	(201,843)	(135,823)	(461,381)
Cash paid to employees for services	(140,899)	(299,269)	(170,704)	(610,872)
Net Cash Flows From Operating Activities	(54,958)	(27,344)	(72,684)	(154,986)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on advances from other funds	-	-	(140,000)	(140,000)
Interest paid on advances from other funds	-	-	(11,555)	(11,555)
Transfers from other funds	124,500	132,689	263,313	520,502
Net Cash Flows From Noncapital Financing Activities	124,500	132,689	111,758	368,947
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(165,504)	(16,200)	-	(181,704)
Proceeds from sale of capital assets	8,001	-	-	8,001
Net Cash Flows From Capital and Related Financing Activities	(157,503)	(16,200)	-	(173,703)
Net Increase in Cash and Cash Equivalents	(87,961)	89,145	39,074	40,258
CASH AND CASH EQUIVALENTS - Beginning of Year	825,480	113,408	82,759	1,021,647
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 737,519	\$ 202,553	\$ 121,833	\$ 1,061,905
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating loss	\$ (237,844)	\$ (106,846)	\$ (127,935)	\$ (472,625)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities				
Noncash items included in income				
Depreciation	193,824	64,957	52,077	310,858
Change in assets and liabilities				
Accounts receivable	(6,815)	(8,403)	1,718	(13,500)
Accounts payable	(5,142)	(11,884)	1,053	(15,973)
Due to other funds	-	38,476	-	38,476
Other current liabilities	1,019	(3,644)	403	(2,222)
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (54,958)	\$ (27,344)	\$ (72,684)	\$ (154,986)

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES

During 2007, TIF #8 contributed \$422,506 of capital assets to the parking utility.

Internal Service Funds

The **Risk Management** fund accounts for operations of a self-insurance program, including liability, property, and workers compensation insurance coverage for all City funds, payment of claims, cost of reinsurance, and safety and citizen awareness programs.

The **Central Equipment** fund accounts for construction, operations, and maintenance of the central garage facility including the funding for and replacement of all fleet and radio equipment.

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS December 31, 2007

	Risk Management	Central Equipment	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 7,991,481	\$ 6,926,225	\$ 14,917,706
Accounts receivable, net	203,891	-	203,891
Due from other governments	-	10,511	10,511
Inventories	-	436,405	436,405
Prepaid items	26,771	-	26,771
Total Current Assets	<u>8,222,143</u>	<u>7,373,141</u>	<u>15,595,284</u>
Noncurrent Assets			
Escrow account	250,000	-	250,000
Deposit in insurance pools	766,496	-	766,496
Capital assets			
Construction in progress	-	274,953	274,953
Land	-	235,899	235,899
Land improvements	-	16,677	16,677
Buildings	-	5,710,107	5,710,107
Equipment	-	119,201	119,201
Rental equipment	-	13,869,982	13,869,982
Less: Accumulated depreciation	-	(10,064,147)	(10,064,147)
Total Capital Assets (Net of Accumulated Depreciation)	<u>-</u>	<u>10,162,672</u>	<u>10,162,672</u>
Total Noncurrent Assets	<u>1,016,496</u>	<u>10,162,672</u>	<u>11,179,168</u>
Total Assets	<u>9,238,639</u>	<u>17,535,813</u>	<u>26,774,452</u>
LIABILITIES			
Current Liabilities			
Accounts payable	46,147	248,516	294,663
Accrued payroll and payroll taxes	5,625	23,364	28,989
Accrued compensated absences	7,873	24,302	32,175
Current portion of unpaid claims	220,000	-	220,000
Total Current Liabilities	<u>279,645</u>	<u>296,182</u>	<u>575,827</u>
Noncurrent Liabilities			
Unpaid claims	1,605,540	-	1,605,540
Total Noncurrent Liabilities	<u>1,605,540</u>	<u>-</u>	<u>1,605,540</u>
Total Liabilities	<u>1,885,185</u>	<u>296,182</u>	<u>2,181,367</u>
NET ASSETS			
Invested in capital assets	-	10,162,672	10,162,672
Restricted for deposits	1,043,267	-	1,043,267
Unrestricted	<u>6,310,187</u>	<u>7,076,959</u>	<u>13,387,146</u>
TOTAL NET ASSETS	<u>\$ 7,353,454</u>	<u>\$ 17,239,631</u>	<u>\$ 24,593,085</u>

CITY OF EAU CLAIRE

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS For the Year Ended December 31, 2007

	Risk Management	Central Equipment	Totals
OPERATING REVENUES			
Charges for services	\$ 2,471,145	\$ 598,039	\$ 3,069,184
Rental of equipment	-	2,004,078	2,004,078
Total Charges for Services	<u>2,471,145</u>	<u>2,602,117</u>	<u>5,073,262</u>
Other			
Repayment of insurance claims	79,985	-	79,985
Building rental	-	183,920	183,920
Miscellaneous	-	8,414	8,414
Total Operating Revenues	<u>2,551,130</u>	<u>2,794,451</u>	<u>5,345,581</u>
OPERATING EXPENSES			
Personal services	154,592	576,321	730,913
Contractual services	19,400	422,188	441,588
Supplies and materials	2,952	921,544	924,496
Utilities	717	154,030	154,747
Depreciation	-	1,122,614	1,122,614
Claims	2,005,983	-	2,005,983
Total Operating Expenses	<u>2,183,644</u>	<u>3,196,697</u>	<u>5,380,341</u>
Operating income (loss)	<u>367,486</u>	<u>(402,246)</u>	<u>(34,760)</u>
NON-OPERATING REVENUES (EXPENSES)			
Investment income	340,881	-	340,881
Net gain on disposal of capital assets	-	23,638	23,638
Total Non-Operating Revenues (Expenses)	<u>340,881</u>	<u>23,638</u>	<u>364,519</u>
Income (loss) before transfers	708,367	(378,608)	329,759
TRANSFERS OUT	<u>(337,100)</u>	<u>-</u>	<u>(337,100)</u>
Change in net assets	371,267	(378,608)	(7,341)
TOTAL NET ASSETS - Beginning of Year	<u>6,982,187</u>	<u>17,618,239</u>	<u>24,600,426</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 7,353,454</u>	<u>\$ 17,239,631</u>	<u>\$ 24,593,085</u>

CITY OF EAU CLAIRE

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS For the Year Ended December 31, 2007

	Risk Management	Central Equipment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,452,037	\$ 2,790,333	\$ 5,242,370
Cash payments to suppliers for goods and services	(49,486)	(1,588,868)	(1,638,354)
Cash payments to employees for services	(150,012)	(581,000)	(731,012)
Claims paid	(1,562,166)	-	(1,562,166)
Repayment of insurance claims	79,985	-	79,985
Net Cash Provided by Operating Activities	<u>770,358</u>	<u>620,465</u>	<u>1,390,823</u>
CASH FLOWS FROM (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	<u>(337,100)</u>	<u>-</u>	<u>(337,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	<u>340,881</u>	<u>-</u>	<u>340,881</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	-	(626,873)	(626,873)
Proceeds from sale of equipment	-	123,545	123,545
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>(503,328)</u>	<u>(503,328)</u>
Net increase in cash and cash equivalents	774,139	117,137	891,276
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>7,467,342</u>	<u>6,809,088</u>	<u>14,276,430</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,241,481</u>	<u>\$ 6,926,225</u>	<u>\$ 15,167,706</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Assets	\$ 7,991,481	\$ 6,926,225	\$ 14,917,706
Restricted Cash and Investments	<u>250,000</u>	<u>-</u>	<u>250,000</u>
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	<u>\$ 8,241,481</u>	<u>\$ 6,926,225</u>	<u>\$ 15,167,706</u>

	<u>Risk Management</u>	<u>Central Equipment</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 367,486	\$ (402,246)	\$ (34,760)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	1,122,614	1,122,614
Change in assets and liabilities:			
Accounts receivable	(19,108)	(4,118)	(23,226)
Inventories	-	(59,081)	(59,081)
Prepays	(26,771)	-	(26,771)
Accounts payable	(85,917)	(35,577)	(121,494)
Accrued liabilities	4,934	(1,127)	3,807
Unpaid claims	<u>529,734</u>	<u>-</u>	<u>529,734</u>
Total Adjustments	<u>402,872</u>	<u>1,022,711</u>	<u>1,425,583</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 770,358</u>	<u>\$ 620,465</u>	<u>\$ 1,390,823</u>

NON-CASH CAPITAL, INVESTING AND FINANCING ACTIVITIES: None

Agency Funds

The **Tax Collection** fund accounts for collection of the general tax levy and distribution to appropriate taxing units and funds.

CITY OF EAU CLAIRE

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUND For the Year Ended December 31, 2007

<u>Tax Collection Fund</u>	<u>Balance Jan. 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2007</u>
ASSETS				
Cash and cash equivalents	\$ 9,688,173	\$ 74,048,507	\$ 72,863,570	\$ 10,873,110
Taxes receivable	<u>44,983,256</u>	<u>67,949,560</u>	<u>65,544,408</u>	<u>47,388,408</u>
 TOTAL ASSETS	 <u>\$ 54,671,429</u>	 <u>\$ 141,998,067</u>	 <u>\$ 138,407,978</u>	 <u>\$ 58,261,518</u>
LIABILITIES				
Due to other governments	<u>\$ 54,671,429</u>	<u>\$ 58,261,518</u>	<u>\$ 54,671,429</u>	<u>\$ 58,261,518</u>

Nonmajor Component Units

The **Downtown Business Improvement District** fund accounts for funds collected and disbursed on behalf of the Downtown Business Improvement District. This district, which includes all commercial properties in a defined downtown area, collects special assessments from its members for promotion within the district.

The **West Grand Business Improvement District** fund accounts for funds collected and disbursed on behalf of the West Grand Business Improvement District. This district, which includes all commercial properties in a defined area, collects special assessments from its members for promotion within the district.

The **Water Street Business Improvement District** fund accounts for funds collected and disbursed on behalf of the Water Street Business Improvement District. This district, which includes all commercial properties in a defined area, collects special assessments from its members for economic promotion of the district.

The **North Barstow/Medical Business Improvement District** fund accounts for funds collected and disbursed on behalf of the North Barstow Business Improvement District. This district, which includes all commercial and medical properties in a defined area, collects special assessments from its members for promotion of the district.

CITY OF EAU CLAIRE

COMBINING STATEMENT OF NET ASSETS NONMAJOR COMPONENT UNITS December 31, 2007

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
ASSETS					
Cash and short term investments	\$ 50,204	\$ 9,068	\$ 43,803	\$ 91,029	\$ 194,104
Receivables:					
Taxes	81,000	13,000	9,500	48,000	151,500
Notes receivable	-	1,111	-	-	1,111
Total Assets	<u>131,204</u>	<u>23,179</u>	<u>53,303</u>	<u>139,029</u>	<u>346,715</u>
LIABILITIES					
Accounts payable	1,329	850	400	-	2,579
Unearned revenue	<u>81,000</u>	<u>13,000</u>	<u>9,500</u>	<u>48,000</u>	<u>151,500</u>
Total Liabilities	<u>82,329</u>	<u>13,850</u>	<u>9,900</u>	<u>48,000</u>	<u>154,079</u>
NET ASSETS					
Unrestricted	<u>48,875</u>	<u>9,329</u>	<u>43,403</u>	<u>91,029</u>	<u>192,636</u>
TOTAL NET ASSETS	<u>\$ 48,875</u>	<u>\$ 9,329</u>	<u>\$ 43,403</u>	<u>\$ 91,029</u>	<u>\$ 192,636</u>

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
For the Year Ended December 31, 2007

156

CITY OF EAU CLAIRE

COMBINING BALANCE SHEET COMPONENT UNITS - GOVERNMENTAL December 31, 2007

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
ASSETS					
Cash and short term investments	\$ 50,204	\$ 9,068	\$ 43,803	\$ 91,029	\$ 194,104
Receivables					
Taxes	81,000	13,000	9,500	48,000	151,500
Notes receivable	-	1,111	-	-	1,111
TOTAL ASSETS	\$ 131,204	\$ 23,179	\$ 53,303	\$ 139,029	\$ 346,715
LIABILITIES AND FUND BALANCES					
Accounts payable	\$ 1,329	\$ 850	\$ 400	\$ -	\$ 2,579
Deferred revenue	81,000	14,111	9,500	48,000	152,611
Total Liabilities	82,329	14,961	9,900	48,000	155,190
Fund Balances					
Designated for subsequent years expenditures	48,875	8,218	43,403	91,029	191,525
Total Fund Balances	48,875	8,218	43,403	91,029	191,525
TOTAL LIABILITIES AND FUND BALANCES	\$ 131,204	\$ 23,179	\$ 53,303	\$ 139,029	\$ 346,715
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE					
Fund balance at year end	\$ 48,875	\$ 8,218	\$ 43,403	\$ 91,029	\$ 191,525
Notes receivable are long-term assets that are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	-	1,111	-	-	1,111
NET ASSETS AT YEAR END	\$ 48,875	\$ 9,329	\$ 43,403	\$ 91,029	\$ 192,636

CITY OF EAU CLAIRE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES COMPONENT UNITS - GOVERNMENTAL For the Year Ended December 31, 2007

	Downtown Business Improvement District	West Grand Business Improvement District	Water Street Business Improvement District	North Barstow/ Medical Business Improvement District	Totals
REVENUES					
Taxes					
Special assessments	\$ 81,000	\$ 12,000	\$ 9,500	\$ 48,000	\$ 150,500
Miscellaneous					
Investment income	3,230	530	1,980	3,810	9,550
Other	150	1,916	-	-	2,066
Total Revenues	<u>84,380</u>	<u>14,446</u>	<u>11,480</u>	<u>51,810</u>	<u>162,116</u>
EXPENDITURES					
Current					
Contractual services	48,638	9,768	5,093	5,091	68,590
Supplies and materials	15,368	-	1,247	-	16,615
Total Expenditures	<u>64,006</u>	<u>9,768</u>	<u>6,340</u>	<u>5,091</u>	<u>85,205</u>
Net change in fund balances	20,374	4,678	5,140	46,719	76,911
FUND BALANCES - Beginning of Year	<u>28,501</u>	<u>3,540</u>	<u>38,263</u>	<u>44,310</u>	<u>114,614</u>
FUND BALANCES - END OF YEAR	<u>\$ 48,875</u>	<u>\$ 8,218</u>	<u>\$ 43,403</u>	<u>\$ 91,029</u>	<u>\$ 191,525</u>
RECONCILIATION OF NET CHANGE IN FUND BALANCES TO CHANGE IN NET ASSETS					
Net change in fund balances	\$ 20,374	\$ 4,678	\$ 5,140	\$ 46,719	\$ 76,911
Governmental funds report repayments of loans receivable as revenue and issuing of new loans as expenditures. However, in the statement of activities, these amounts are not reported as revenues and expenses.					
Repayment of principal on loans recognized as revenue on fund statements	-	(1,666)	-	-	(1,666)
CHANGE IN NET ASSETS	<u>\$ 20,374</u>	<u>\$ 3,012</u>	<u>\$ 5,140</u>	<u>\$ 46,719</u>	<u>\$ 75,245</u>

STATISTICAL SECTION (Unaudited)

This part of the City of Eau Claire's comprehensive annual financial report presents detailed information as a context for understanding what the information is the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

FINANCIAL TRENDS - TABLES 1-4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

REVENUE CAPACITY - TABLES 5-21

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax, as well as other significant revenue sources which include the water and sewer utility charges for services.

DEBT CAPACITY - TABLES 22-28

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION - TABLES 29-30

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

OPERATING INFORMATION - TABLES 31-37

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF EAU CLAIRE

TABLE 1
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 76,620,258	\$ 80,228,082	\$ 81,263,800	\$ 81,381,844	\$ 80,130,519
Restricted	14,619,800	16,788,904	18,133,306	19,613,325	19,993,642
Unrestricted	38,307,037	34,715,716	30,056,232	32,529,957	33,619,637
Total governmental activities net assets	129,547,095	131,732,702	129,453,338	133,525,126	133,743,798
Business-type activities					
Invested in capital assets, net of related debt	105,722,026	118,330,734	123,247,987	127,757,415	131,320,732
Restricted	3,332,207	1,496,244	2,366,744	2,379,744	2,683,138
Unrestricted	13,332,743	14,853,887	14,878,421	14,066,385	18,485,636
Total business-type activities net assets	122,386,976	134,680,865	140,493,152	144,203,544	152,489,506
Primary government					
Invested in capital assets, net of related debt (1)	182,342,284	198,558,816	203,161,318	207,924,943	206,526,488
Restricted	17,952,007	18,285,148	20,500,050	21,993,069	22,676,780
Unrestricted (1)	51,639,780	49,569,603	46,285,122	47,810,658	57,030,036
Total primary government net assets	\$ 251,934,071	\$ 266,413,567	\$ 269,946,490	\$ 277,728,670	\$ 286,233,304

(1) Primary government totals may not match the combined totals for governmental and business-type activities due to a reclassification of debt.

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF EAU CLAIRE

TABLE 2
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(Accrual Basis of Accounting)

Expenses	2003	2004	2005	2006	2007
Governmental activities:					
General government	\$ 8,520,660	\$ 7,643,250	\$ 7,857,938	\$ 6,493,902	\$ 6,464,010
Public safety	20,070,417	20,202,687	21,546,332	23,034,101	23,743,952
Public works	10,173,302	11,221,813	12,396,508	11,316,945	11,819,122
Health services	4,023,159	4,175,651	4,409,322	4,436,211	4,677,429
Culture and recreation	9,283,774	7,522,475	7,406,964	8,105,219	8,646,899
Development	2,931,989	2,267,591	3,653,040	2,359,672	3,281,340
Interest and fiscal charges	1,791,084	2,054,281	2,053,323	2,106,598	2,046,007
Total governmental activities expense	<u>56,794,385</u>	<u>55,087,748</u>	<u>59,323,427</u>	<u>57,852,648</u>	<u>60,678,759</u>
Business-type activities					
Water Utility	5,010,412	5,143,065	5,424,169	5,439,753	5,787,761
Sewer Utility	5,089,211	5,158,959	5,349,773	5,558,045	5,476,435
Storm Water Utility	1,628,456	1,482,635	1,823,011	2,064,283	2,066,896
Public Transit	3,982,644	4,103,773	4,427,330	4,770,055	4,864,830
Parking Utility	408,357	391,267	419,801	445,732	454,931
Hobbs Ice Center	503,345	519,838	564,079	621,290	589,633
Outdoor Pool	367,367	319,825	343,552	354,369	373,385
Total business-type activities expenses	<u>16,989,792</u>	<u>17,119,362</u>	<u>18,351,715</u>	<u>19,253,527</u>	<u>19,613,871</u>
Total primary government expenses	<u>\$ 73,784,177</u>	<u>\$ 72,207,110</u>	<u>\$ 77,675,142</u>	<u>\$ 77,106,175</u>	<u>\$ 80,292,630</u>

CITY OF EAU CLAIRE

TABLE 2 (cont.)
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 2,944,928	\$ 2,799,799	\$ 2,971,400	\$ 3,131,097	\$ 3,014,682
Public safety	3,582,224	3,083,516	2,813,376	3,460,345	3,777,133
Public works	85,827	118,378	177,977	396,987	258,474
Health services	1,388,975	1,602,248	1,748,238	1,769,891	1,817,621
Culture and recreation	1,564,306	1,449,973	1,325,314	1,360,404	1,595,776
Development	153,510	157,355	89,976	746,569	1,232,950
Operating grants and contributions					
General government	45,361	41,955	6,392	22,444	12,416
Public safety	928,224	750,303	579,467	670,279	1,091,291
Health services	820,384	966,021	965,115	895,312	984,965
Culture and recreation	34,994	24,091	33,060	12,205	31,370
Development	1,578,390	1,556,887	1,366,682	802,334	1,241,461
Capital grants and contributions					
General government	2,251,173	1,750,962	1,534,745	2,122,452	1,619,901
Public safety	68,470	57,458	-	-	131,896
Public works	4,225,663	3,728,343	3,928,050	2,969,172	4,098,276
Culture and recreation	309,737	749,940	731,287	1,005,338	216,384
Total governmental activities program revenues	<u>19,982,166</u>	<u>18,837,229</u>	<u>18,271,079</u>	<u>19,364,829</u>	<u>21,124,596</u>
Business-type activities					
Charges for services					
Water Utility	6,984,333	6,831,621	7,150,409	7,600,310	8,100,296
Sewer Utility	5,999,089	5,811,267	6,123,231	6,267,035	6,266,314
Storm Water Utility	1,725,264	1,935,282	2,098,370	2,460,532	2,677,207
Public Transit	471,698	470,600	503,024	527,466	552,510
Parking Utility	229,664	218,569	215,356	227,065	214,184
Hobbs Ice Center	340,292	379,206	423,376	443,141	452,511
Outdoor Pool	200,252	173,359	214,616	210,756	213,503
Operating grants and contributions					
Public Transit	2,360,794	2,400,631	2,466,457	2,711,846	2,839,769
Capital grants and contributions					
Water Utility	143,673	2,921,683	1,051,304	542,390	492,431
Sewer Utility	204,277	2,370,025	609,332	540,063	357,700
Storm Water Utility	27,381	5,187,007	1,975,066	505,753	90,973
Total business-type activities program revenues	<u>18,686,717</u>	<u>28,699,250</u>	<u>22,830,541</u>	<u>22,036,357</u>	<u>22,257,398</u>
Total primary government program revenues	<u>38,668,883</u>	<u>47,536,479</u>	<u>41,101,620</u>	<u>41,401,186</u>	<u>43,381,994</u>
Net (Expense) Revenue					
Governmental activities	(36,812,219)	(36,250,519)	(41,052,348)	(38,487,819)	(39,554,163)
Business-type activities	1,696,925	11,579,888	4,478,826	2,782,830	2,643,527
Total primary government net expense	<u>\$ (35,115,294)</u>	<u>\$ (24,670,631)</u>	<u>\$ (36,573,522)</u>	<u>\$ (35,704,989)</u>	<u>\$ (36,910,636)</u>

CITY OF EAU CLAIRE

TABLE 2 (cont.)
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(Accrual Basis of Accounting)

	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
Governmental activities					
Property taxes	\$ 25,854,470	\$ 26,155,386	\$ 27,478,504	\$ 28,709,747	\$ 29,927,378
Intergovernmental revenues	10,392,649	9,388,956	9,378,496	9,390,895	9,463,185
Investment income	1,697,609	2,057,061	2,703,261	4,167,233	4,639,329
Gain on sale of capital assets	-	-	-	38,033	65,420
Miscellaneous	-	-	45,493	107,281	14,373
Transfers	132,732	454,863	20,295	146,418	(4,336,850)
Total governmental activities	38,077,460	38,056,266	39,626,049	42,559,607	39,772,835
Business-type activities					
Investment income	365,909	308,078	616,911	806,542	1,046,523
Miscellaneous	93,558	292,347	236,053	267,438	259,062
Transfers	(132,732)	(454,863)	(20,295)	(146,418)	4,336,850
Total business-type activities	326,735	145,562	832,669	927,562	5,642,435
Total primary government	38,404,195	38,201,828	40,458,718	43,487,169	45,415,270
Change in Net Assets					
Governmental activities	1,265,241	1,805,747	(1,426,299)	4,071,788	218,672
Business-type activities	2,023,660	11,725,450	5,311,495	3,710,392	8,285,962
Total primary government	\$ 3,288,901	\$ 13,531,197	\$ 3,885,196	\$ 7,782,180	\$ 8,504,634

Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

CITY OF EAU CLAIRE

TABLE 3
FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 8,211,975	\$ 7,995,975	\$ 7,545,087	\$ 7,356,078	\$ 7,012,649	\$ 6,367,325	\$ 6,384,041	\$ 5,848,920	\$ 4,881,267	\$ 4,412,107
Unreserved										
Designated	6,660,899	5,715,176	5,803,373	5,647,871	4,714,450	6,709,720	6,323,236	6,059,964	6,723,752	5,721,632
Undesignated	1,428,405	2,283,597	2,275,016	1,490,100	2,478,426	2,896,215	2,978,369	2,821,438	3,668,023	4,638,803
Total General Fund	<u>16,301,279</u>	<u>15,994,748</u>	<u>15,623,476</u>	<u>14,494,049</u>	<u>14,205,525</u>	<u>15,973,260</u>	<u>15,685,646</u>	<u>14,730,322</u>	<u>15,273,042</u>	<u>14,772,542</u>
All Other Governmental Funds										
Reserved	8,612,266	8,443,833	8,075,525	12,031,043	13,144,563	16,775,820	16,720,328	15,295,775	12,560,342	15,823,768
Unreserved										
Designated										
Special revenue funds	7,378,861	7,773,716	2,621,225	2,291,594	2,315,500	7,350,482	7,362,168	7,197,264	6,404,601	5,562,633
Debt service funds	229,000	624,600	624,600	550,800	588,992	-	623,900	255,700	273,300	233,800
Capital projects funds	6,704,276	5,764,998	-	61,700	54,800	10,012,054	7,445,000	9,213,998	8,876,216	12,158,771
Undesignated (deficit)	(533,996)	1,818,023	15,551,302	17,156,627	16,558,038	-	-	-	-	-
Total All Other Governmental Funds	<u>22,390,407</u>	<u>24,425,170</u>	<u>26,872,652</u>	<u>32,091,764</u>	<u>32,661,893</u>	<u>34,138,356</u>	<u>32,151,396</u>	<u>31,962,737</u>	<u>28,114,459</u>	<u>33,778,972</u>
Total All Funds	<u>\$38,691,686</u>	<u>\$40,419,918</u>	<u>\$42,496,128</u>	<u>\$46,585,813</u>	<u>\$46,867,418</u>	<u>\$50,111,616</u>	<u>\$47,837,042</u>	<u>\$46,693,059</u>	<u>\$43,387,501</u>	<u>\$48,551,514</u>

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 4
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)

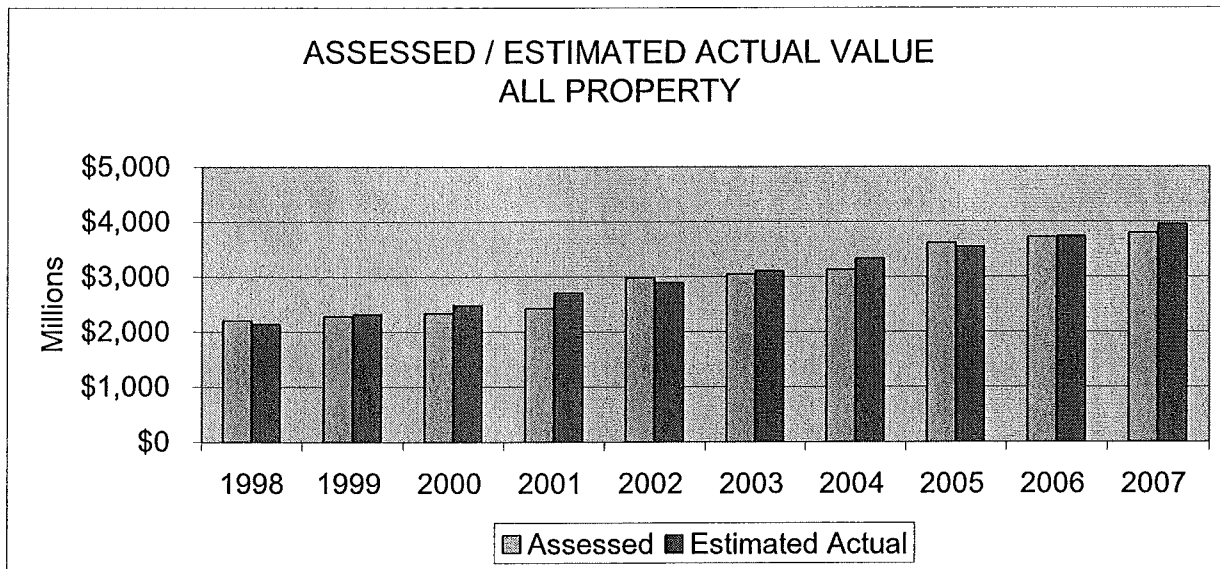
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Property taxes	\$ 20,557	\$ 21,910	\$ 23,591	\$ 23,468	\$ 25,920	\$ 25,841	\$ 26,164	\$ 27,600	\$ 28,667	\$ 29,462
Special assessments	-	515	-	2,214	2,249	2,339	2,341	2,164	1,988	1,898
Intergovernmental	15,977	16,494	16,012	16,351	16,474	17,163	15,903	16,303	15,546	15,957
Licenses and permits	1,275	1,272	1,906	1,598	1,712	1,788	1,827	1,829	1,938	1,922
Fines and forfeitures	629	618	610	644	787	850	980	917	900	1,018
Charges for services	5,065	5,525	5,660	6,532	6,787	6,007	6,136	6,607	7,169	7,005
Investment income	2,749	2,319	3,232	2,733	385	1,573	1,578	2,548	3,682	4,328
Miscellaneous	1,758	2,044	2,542	3,336	3,192	1,230	1,960	1,465	1,509	1,726
Total revenues	48,010	50,697	53,553	56,876	57,506	56,791	56,889	59,433	61,399	63,316
Expenditures										
General government	4,587	4,729	5,106	5,301	5,559	5,760	5,877	6,263	5,696	5,700
Public safety	15,451	16,048	16,487	17,635	18,724	19,536	19,933	20,912	22,412	23,563
Public works	6,593	6,781	8,362	7,531	7,684	7,003	7,210	7,350	7,137	7,693
Health services	3,006	3,285	3,383	3,510	3,668	3,918	4,172	4,388	4,402	4,666
Culture and recreation	5,461	5,699	6,140	6,566	6,841	7,211	7,117	7,164	7,493	7,830
Development	2,745	2,351	2,218	2,844	2,773	2,374	3,022	4,162	2,772	3,614
Miscellaneous	223	401	503	441	418	421	428	497	462	630
Capital outlay	13,807	11,886	11,043	11,976	9,127	8,293	12,622	9,458	13,408	8,119
Debt service										
Principal	2,499	2,414	2,599	3,029	8,724	5,070	3,509	5,882	3,789	4,311
Interest	1,624	1,727	1,927	2,154	2,387	1,752	1,992	1,991	2,073	1,957
Total expenditures	55,996	55,321	57,768	60,987	65,905	61,338	65,882	68,067	69,644	68,083
Other financing sources (uses)										
Debt issued	6,650	6,845	6,510	8,700	9,861	13,585	5,460	7,290	4,365	17,785
Premium on debt issued	-	-	-	-	-	-	-	-	55	166
Payment to refunding agent	-	-	-	-	-	(2,469)	-	-	-	(8,812)
Transfers in	5,700	6,051	5,808	6,346	6,814	7,176	8,111	7,761	7,931	7,841
Transfers out	(6,691)	(6,634)	(6,498)	(7,368)	(7,548)	(6,818)	(7,261)	(7,630)	(7,450)	(7,135)
Transfers from Component Unit	-	-	35	-	25	-	-	-	-	-
Transfers to Component Unit	-	(461)	(222)	(411)	(1,735)	-	-	-	-	-
Sale of capital assets	45	118	242	258	147	1,239	408	69	38	86
Total other financing sources (uses)	5,704	5,919	5,875	7,525	7,564	12,713	6,718	7,490	4,939	9,931
Net change in fund balances	\$ (2,282)	\$ 1,295	\$ 1,660	\$ 3,414	\$ (835)	\$ 8,166	\$ (2,275)	\$ (1,144)	\$ (3,306)	\$ 5,164
Debt service as a percentage of noncapital expenditures	9.8%	9.5%	9.7%	10.6%	19.6%	12.2%	10.3%	13.4%	10.4%	10.6%

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 5
ASSESSSED AND ESTIMATED ACTUAL VALUE
OF ALL TAXABLE PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ALL PROPERTY										
Real property:										
Assessed value	\$2,071,849	\$2,146,317	\$2,224,512	\$2,309,955	\$2,841,850	\$2,913,967	\$2,997,305	\$3,480,302	\$3,589,140	\$3,663,397
Estimated actual value (1)	2,007,308	2,187,062	2,361,217	2,574,728	2,750,365	2,966,933	3,192,523	3,405,414	3,614,093	3,812,428
Personal property:										
Assessed value	\$133,486	\$131,294	\$110,929	\$119,618	\$139,844	\$134,989	\$131,225	\$135,230	\$129,985	\$132,425
Estimated actual value	132,942	133,993	119,040	133,993	138,930	138,430	138,038	140,683	126,950	139,214
Total:										
Assessed value	\$2,205,335	\$2,277,611	\$2,335,442	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822
Estimated actual value	2,140,250	2,321,055	2,480,574	2,706,974	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642
Ratio of total assessed to total estimated actual value	103.04%	98.13%	94.15%	89.75%	103.20%	98.18%	93.93%	101.95%	99.41%	96.06%
Direct tax rate:										
Eau Claire County	\$6.92	\$7.53	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.22
Chippewa County	\$6.92	\$7.53	\$7.81	\$8.17	\$7.37	\$7.77	\$7.74	\$7.07	\$7.15	\$7.12



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties. Tax incremental districts have been included. Tax rates are per \$1,000 of assessed value.

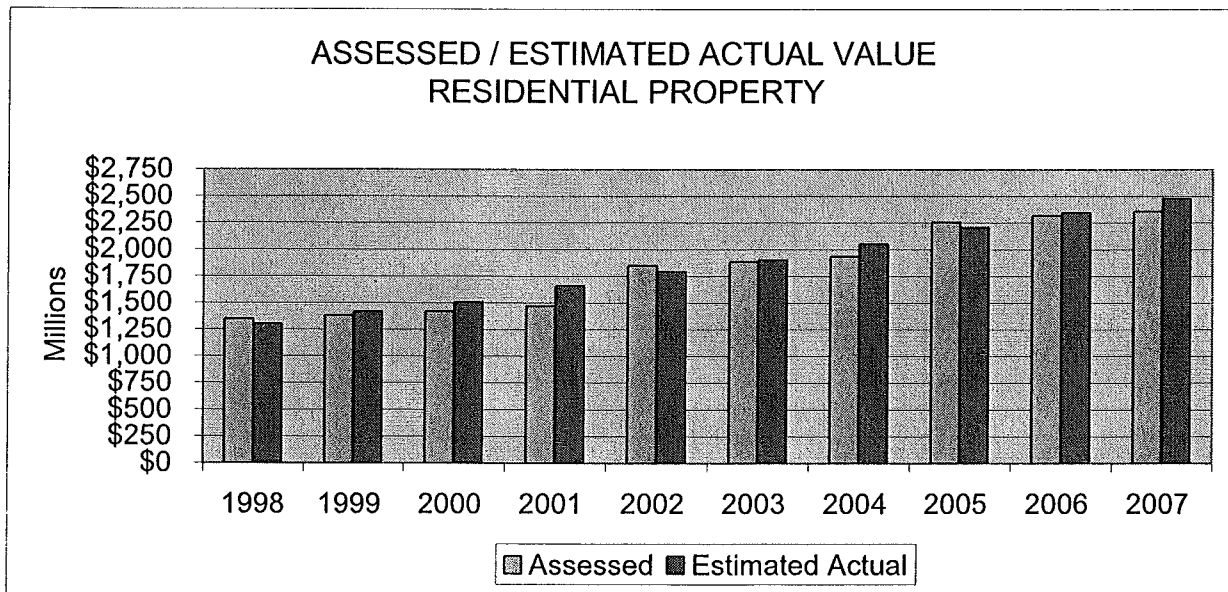
(1) NOTE: Equalized valuation (est. market value) is set by the Wisconsin Department of Revenue.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

CITY OF EAU CLAIRE

TABLE 6
ASSESSSED AND ESTIMATED ACTUAL VALUE
OF RESIDENTIAL PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
RESIDENTIAL										
Real property:										
Assessed value	\$1,345,786	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932
Estimated actual value	1,300,087	1,415,248	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098
Personal property: (1)										
Assessed value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated actual value	0	0	0	0	0	0	0	0	0	0
Total residential:										
Assessed value	\$1,345,786	\$1,379,766	\$1,418,484	\$1,468,692	\$1,848,411	\$1,884,731	\$1,936,665	\$2,253,489	\$2,318,380	\$2,359,932
Estimated actual value	1,300,087	1,415,248	1,504,694	1,658,487	1,790,786	1,902,182	2,051,612	2,205,284	2,344,449	2,478,098
Total all classes:										
Assessed value	\$1,783,616	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,695	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822
Estimated actual value	1,958,436	2,140,250	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642
Residential property as a percentage of total:										
Assessed value	75.45%	62.56%	60.74%	60.45%	61.99%	61.81%	61.90%	62.33%	62.34%	62.17%
Estimated actual value	66.38%	66.13%	60.66%	61.23%	61.98%	61.25%	61.60%	62.19%	62.67%	62.71%
Number of parcels	18,186	18,217	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072
Number of parcels with improvements	15,943	16,193	16,413	16,729	17,034	17,219	17,513	17,745	17,993	18,114



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal years listed. Values are for both Eau Claire and Chippewa counties. Tax incremental districts have been included.

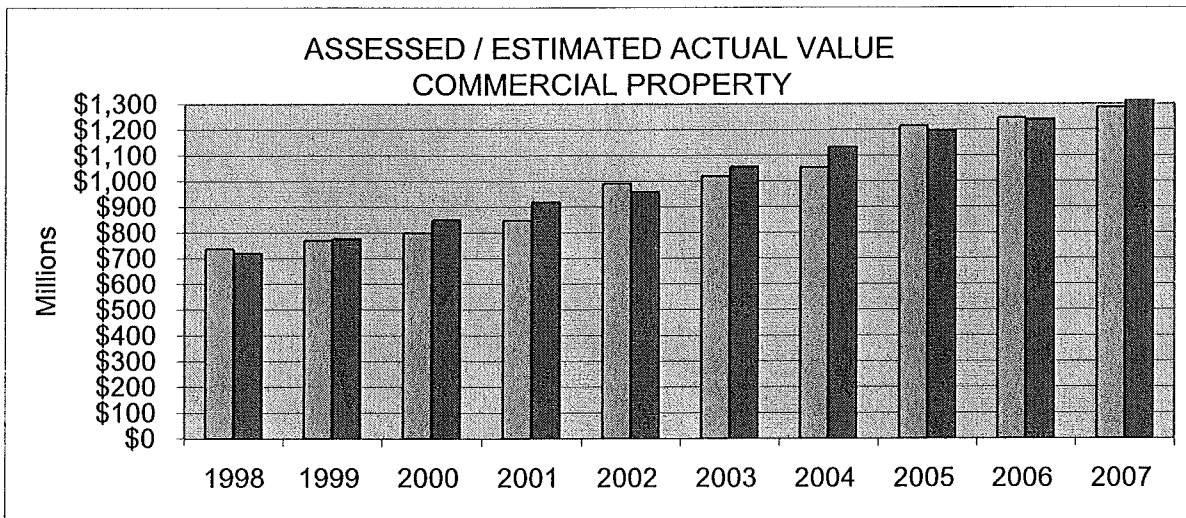
(1) NOTE: Chapter 70 of the Wisconsin State Statutes exempts residential personal property from taxation.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue

CITY OF EAU CLAIRE

TABLE 7
ASSESSED AND ESTIMATED ACTUAL VALUE
OF COMMERCIAL PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
COMMERCIAL										
Real property:										
Assessed value	\$626,208	\$665,623	\$707,721	\$746,582	\$872,022	\$903,427	\$939,329	\$1,095,829	\$1,132,143	\$1,170,613
Estimated actual value	610,037	668,550	752,655	810,573	841,406	936,814	1,011,523	1,071,374	1,128,558	1,197,480
Personal property:										
Assessed value	\$109,341	\$104,514	\$90,341	\$99,819	\$117,363	\$115,716	\$113,637	\$117,645	\$113,661	\$116,173
Estimated actual value	109,459	106,647	96,120	106,647	117,100	118,345	119,796	123,600	110,476	122,319
Total commercial:										
Assessed value	\$735,549	\$770,137	\$798,062	\$846,401	\$989,385	\$1,019,143	\$1,052,966	\$1,213,474	\$1,245,804	\$1,286,786
Estimated actual value	719,496	775,197	848,775	917,220	958,506	1,055,159	1,131,319	1,194,974	1,239,034	1,319,799
Total all classes:										
Assessed value	\$1,783,616	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822
Estimated actual value	1,958,436	2,140,250	2,480,573	2,706,974	2,889,294	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642
Commercial property as a percentage of total:										
Assessed value	41.24%	34.92%	34.18%	34.84%	33.18%	33.43%	33.66%	33.56%	33.50%	33.90%
Estimated actual value	36.74%	36.22%	34.22%	33.88%	33.17%	33.98%	33.97%	33.70%	33.12%	33.40%
Number of parcels	2,528	2,559	2,601	2,635	2,634	2,669	2,692	2,719	2,739	2,755
Number of parcels with improvements	1,509	1,552	1,592	1,642	1,652	1,683	1,721	1,737	1,751	1,786



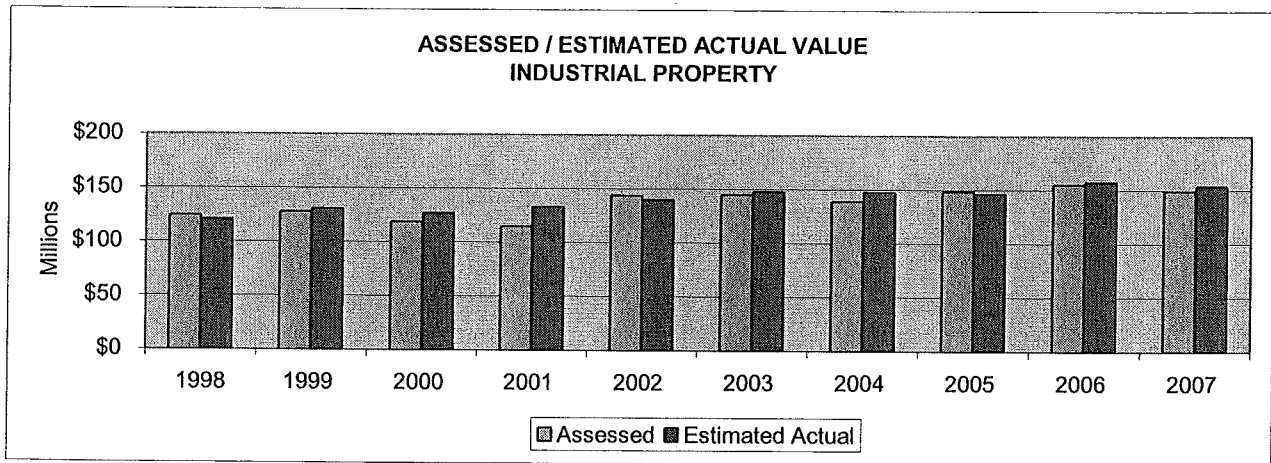
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

CITY OF EAU CLAIRE

TABLE 8
ASSESSED AND ESTIMATED ACTUAL VALUE
OF INDUSTRIAL PROPERTY
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
INDUSTRIAL										
Real property:										
Assessed value	\$99,854	\$100,928	\$98,016	\$94,681	\$121,417	\$125,809	\$121,311	\$130,984	\$138,617	\$132,852
Estimated actual value	97,185	103,264	103,868	105,668	118,173	127,937	129,389	128,756	141,086	136,850
Personal property:										
Assessed value	\$24,145	\$26,780	\$20,588	\$19,799	\$22,481	\$19,272	\$17,588	\$17,585	\$16,324	\$16,252
Estimated actual value	23,483	27,346	22,920	27,346	21,830	20,085	18,242	17,263	16,474	16,894
Total industrial:										
Assessed value	\$123,999	\$127,708	\$118,604	\$114,480	\$143,898	\$145,081	\$138,899	\$148,569	\$154,941	\$149,104
Estimated actual value	120,668	130,610	126,788	133,014	140,003	148,022	147,631	146,019	157,560	153,744
Total all classes:										
Assessed value	\$1,783,616	\$2,205,335	\$2,335,150	\$2,429,573	\$2,981,694	\$3,048,956	\$3,128,530	\$3,615,532	\$3,719,125	\$3,795,822
Estimated actual value	1,958,436	2,140,250	2,480,574	2,708,721	2,889,295	3,105,363	3,330,561	3,546,277	3,741,043	3,951,642
Industrial property as a percentage of total:										
Assessed value	6.95%	5.79%	5.08%	4.71%	4.83%	4.76%	4.44%	4.11%	4.17%	3.93%
Estimated actual value	6.16%	6.10%	5.11%	4.91%	4.85%	4.77%	4.43%	4.12%	4.21%	3.89%
Number of parcels	104	99	100	107	107	103	96	95	97	93
Number of parcels with improvements	87	84	84	92	92	92	89	88	89	85



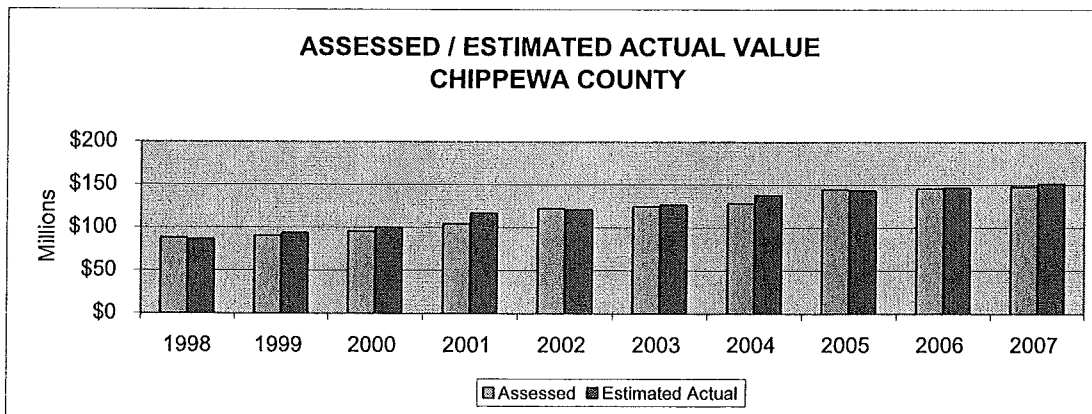
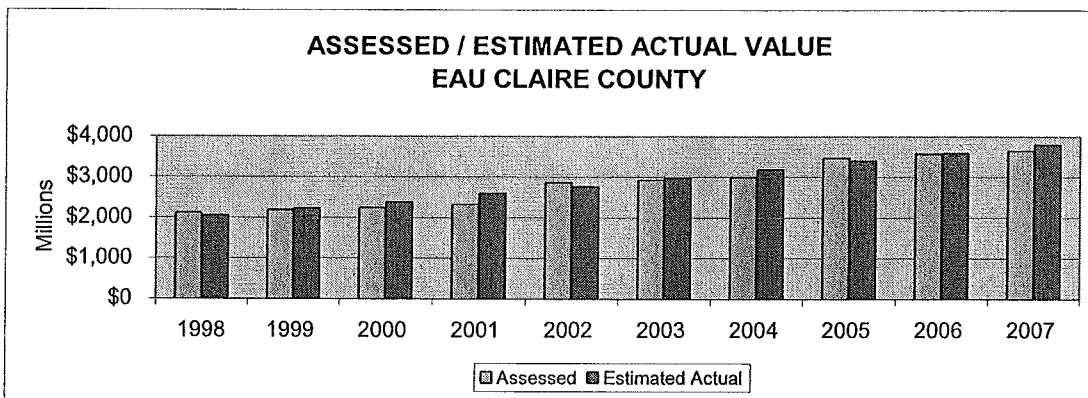
NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

CITY OF EAU CLAIRE

TABLE 9
ASSESSSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY BY COUNTY
Last Ten Fiscal Years
(Dollars in Thousands)

PORTION OF CITY IN:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
EAU CLAIRE COUNTY										
Assessed value	\$2,117,731	\$2,187,453	\$2,240,430	\$2,325,108	\$2,859,598	\$2,924,407	\$3,000,387	\$3,471,029	\$3,573,733	\$3,648,184
Estimated actual value	2,054,047	2,227,487	2,380,504	2,590,133	2,768,468	2,978,826	3,192,926	3,402,896	3,594,685	3,799,993
Ratio of assessment	103.10%	98.20%	94.12%	89.77%	103.29%	98.17%	93.97%	102.00%	99.42%	96.01%
CHIPPEWA COUNTY										
Assessed value	\$87,604	\$90,157	\$95,012	\$104,200	\$122,097	\$124,549	\$128,143	\$144,504	\$145,392	\$147,637
Estimated actual value	86,203	93,568	100,069	116,841	120,827	126,537	137,635	143,381	146,358	151,649
Ratio of assessment	101.63%	96.35%	94.95%	89.18%	101.05%	98.43%	93.10%	100.78%	99.34%	97.35%



NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa Counties. Tax incremental districts have been included.

CITY OF EAU CLAIRE

TABLE 10
EQUALIZED VALUE OF
TAX INCREMENT DISTRICTS
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
TID #2 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	6,221	0	0	0	0	0	0	0	0	0
Total TID #2	\$6,221	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TID #3 equalized valuation:										
Base	\$204	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Increment	39,464	0	0	0	0	0	0	0	0	0
Total TID #3	\$39,668	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TID #4 equalized valuation:										
Base	\$256	\$256	\$256	\$256	\$256	\$256	\$0	\$0	\$0	\$0
Increment	51,902	59,058	60,240	62,127	69,529	74,346	0	0	0	0
Total TID #4	\$52,158	\$59,314	\$60,496	\$62,383	\$69,785	\$74,602	\$0	\$0	\$0	\$0
TID #5 equalized valuation:										
Base	\$130	\$130	\$130	\$130	\$130	\$130	\$130	\$1,000	\$1,000	\$1,000
Increment	0	1,190	1,425	2,821	15,589	21,755	21,395	22,058	20,703	21,661
Total TID #5	\$130	\$1,320	\$1,555	\$2,951	\$15,719	\$21,885	\$21,525	\$23,058	\$21,703	\$22,661
TID #6 equalized valuation:										
Base	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986	\$986
Increment	0	2,221	2,308	2,871	5,301	6,932	8,503	9,072	9,254	9,907
Total TID #6	\$986	\$3,207	\$3,294	\$3,857	\$6,287	\$7,918	\$9,489	\$10,058	\$10,240	\$10,893
TID #7 equalized valuation:										
Base	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$115	\$329	\$329
Increment	0	0	875	3,174	3,333	3,508	3,634	3,713	3,894	5,675
Total TID #7	\$115	\$115	\$990	\$3,289	\$3,448	\$3,623	\$3,749	\$3,828	\$4,223	\$6,004
TID #8 equalized valuation:										
Base	\$0	\$0	\$0	\$0	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441	\$10,441
Increment	0	0	0	0	0	0	236	3,683	12,661	16,288
Total TID #8	\$0	\$0	\$0	\$0	\$10,441	\$10,441	\$10,677	\$14,124	\$23,102	\$26,729
ALL PROPERTY										
All property - w/o TIDs	\$2,040,972	\$2,257,099	\$2,414,238	\$2,634,494	\$2,783,614	\$2,986,894	\$3,285,121	\$3,495,209	\$3,681,775	\$3,885,355
Base valuation - TIDs	1,691	1,487	1,487	1,487	11,928	11,928	11,672	12,542	12,756	12,756
All property - w/o TID increment	2,042,663	2,258,586	2,415,725	2,635,981	2,795,542	2,998,822	3,296,793	3,507,751	3,694,531	3,898,111
Increment valuation - TIDs	97,587	62,469	64,848	70,993	93,752	106,541	33,768	38,526	46,512	53,530
Equalized valuation - all property	\$2,140,250	\$2,321,055	\$2,480,573	\$2,706,974	\$2,889,294	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641

NOTE: Property values shown are established at January 1 of the year preceding the fiscal years listed. They are the basis of the taxes collected and applied to the fiscal year. Values are for both Eau Claire and Chippewa counties.

NOTE: TIF #2 and #3 were closed in 1998.

NOTE: The base equalized value for TIF #5 was redetermined by the Department of Revenue for 2005.

Source: City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

CITY OF EAU CLAIRE

TABLE 11
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Property Located in Eau Claire County (Eau Claire Area School District)										
City	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075
Library	0.812	0.995	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.725
Health	0.531	0.540	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.416
Eau Claire School Dist.	11.085	11.588	12.760	13.376	11.111	11.311	10.694	11.391	9.954	9.624
Vocational District	1.685	1.754	1.858	1.950	1.762	1.838	1.817	1.593	1.620	1.634
Eau Claire County	4.400	3.517	2.977	3.268	3.095	3.154	3.298	3.078	3.095	3.159
State Forestry	0.194	0.204	0.212	0.223	0.194	0.204	0.213	0.196	0.189	0.183
Gross Tax Rate	24.283	24.592	25.617	26.985	23.534	24.280	23.764	23.328	22.006	21.816
Less State Credit	1.921	1.833	1.805	1.853	1.600	1.616	1.577	1.323	1.325	1.627
Net Tax Rate	\$ 22.362	\$ 22.759	\$ 23.812	\$ 25.132	\$ 21.934	\$ 22.664	\$ 22.187	\$ 22.005	\$ 20.681	\$ 20.189

City Property Located in Eau Claire County (Altoona School District) (1)

City	\$0	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$6.075
Library	0	0.812	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.725
Health	0	0.531	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.416
Eau Claire School Dist.	0	10.203	11.782	11.598	10.184	11.190	11.650	9.791	9.718	10.034
Vocational District	0	1.685	1.754	1.858	1.762	1.838	1.817	1.593	1.620	1.634
Eau Claire County	0	4.400	3.517	2.977	3.095	3.154	3.298	3.078	3.095	3.159
State Forestry	0	0.194	0.204	0.212	0.194	0.204	0.213	0.196	0.189	0.183
Gross Tax Rate	0	23.401	24.786	24.455	22.607	24.159	24.720	21.728	21.770	22.226
Less State Credit	0.000	1.921	1.833	1.805	1.600	1.616	1.577	1.323	1.325	1.627
Net Tax Rate	\$ -	\$ 21.480	\$ 22.953	\$ 22.650	\$ 21.007	\$ 22.543	\$ 23.143	\$ 20.405	\$ 20.445	\$ 20.599

(1) NOTE: 1998 was the first year that any City of Eau Claire residents living in Eau Claire County, were in the Altoona School District.

Source: City of Eau Claire Annual Program of Services

(Continued)

CITY OF EAU CLAIRE

TABLE 11 (cont.)
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(Per \$1,000 Assessed Valuation)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
City Property Located in Chippewa County (Eau Claire Area School District)										
City	\$5.576	\$5.994	\$6.286	\$6.658	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991
Library	0.812	0.995	0.988	0.974	0.854	0.880	0.851	0.753	0.724	0.714
Health	0.531	0.540	0.536	0.536	0.448	0.469	0.469	0.422	0.418	0.410
Eau Claire School Dist.	11.246	11.811	12.648	13.466	11.258	11.282	10.793	11.528	9.961	9.491
Vocational District	1.709	1.787	1.841	1.963	1.801	1.833	1.834	1.612	1.621	1.611
Chippewa County	3.808	3.816	3.773	4.197	3.673	3.652	3.840	3.438	3.408	3.270
State Forestry	0.197	0.208	0.211	0.224	0.198	0.203	0.215	0.198	0.189	0.181
Gross Tax Rate	23.879	25.151	26.283	28.018	24.302	24.743	24.424	23.846	22.327	21.668
Less State Credit	2.075	1.957	1.825	1.759	1.606	1.631	1.578	1.318	1.313	1.583
Net Tax Rate	\$ 21.804	\$ 23.194	\$ 24.458	\$ 26.259	\$ 22.696	\$ 23.112	\$ 22.846	\$ 22.528	\$ 21.014	\$ 20.085
City Property Located in Chippewa County (Chippewa Falls Area School District)										
City	\$5.876	\$5.576	\$5.994	\$6.286	\$6.070	\$6.424	\$6.422	\$5.895	\$6.006	\$5.991
Library	0.921	0.812	0.995	0.988	0.854	0.880	0.851	0.753	0.724	0.714
Health	0.626	0.531	0.540	0.536	0.448	0.469	0.469	0.422	0.418	0.410
Chippewa Falls School Dist.	10.188	10.132	9.994	10.430	9.849	9.445	9.693	8.463	8.240	8.085
Vocational District	1.868	1.709	1.787	1.841	1.801	1.833	1.834	1.612	1.621	1.611
Chippewa County	4.098	3.808	3.816	3.773	3.673	3.652	3.840	3.438	3.408	3.270
State Forestry	0.212	0.197	0.208	0.211	0.198	0.203	0.215	0.198	0.189	0.181
Gross Tax Rate	23.789	22.765	23.334	24.065	22.893	22.906	23.324	20.781	20.606	20.262
Less State Credit	2.599	2.075	1.957	1.825	1.606	1.631	1.578	1.318	1.313	1.583
Net Tax Rate	\$ 21.190	\$ 20.690	\$ 21.377	\$ 22.240	\$ 21.287	\$ 21.275	\$ 21.746	\$ 19.463	\$ 19.293	\$ 18.679

Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 12
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Dollars in Thousands)

Taxpayer	2007 Equalized Value	2007 Rank	2007 Percentage of Total Equalized Value	1998 Equalized Value	1998 Rank	1998 Percentage of Total Equalized Value
Oakwood Hills Mall	\$ 70,775	1	1.72%	\$ 37,458	1	1.75%
Keystone Corporation	35,986	2	0.88%	23,293	4	1.09%
Hutchinson Technology, Inc.	33,305	3	0.81%	35,720	2	1.67%
Nestle Foods	26,164	4	0.64%	14,688	5	0.69%
Luther Hospital	24,061	5	0.59%	-		
Royal Credit Union	22,696	6	0.55%	-		
Midelfort Clinic	21,182	7	0.52%	30,755	3	1.44%
Marshfield Clinic	19,952	8	0.49%	-		
Menard Inc.	19,394	9	0.47%	11,704	8	0.55%
Phillips Properties (1)	16,501	10	0.40%	11,676	9	0.55%
Sam's Club - Walmart	-			12,852	6	0.60%
Dayton Hudson Corporation	-			12,653	7	0.59%
Plainwell, Inc	-			11,106	10	0.52%
Principal Taxpayers total	<u>\$ 290,016</u>			<u>\$ 201,905</u>		
TOTAL CITY EQUALIZED VALUE	<u>\$ 4,110,179</u>			<u>\$ 2,140,250</u>		

(1) NOTE: Equalization is based on both Eau Claire and Chippewa Counties as of January 1 of the fiscal year listed.

Sources: City of Eau Claire Assessor's Office, Clerk's Statement of Assessments, Statistical Report:
Eau Claire and Chippewa Counties

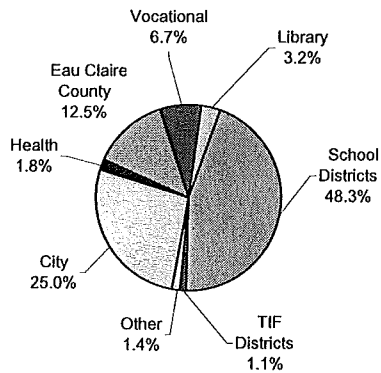
CITY OF EAU CLAIRE

TABLE 13
GROSS TAX LEVY BY TAXING ENTITY
Last Ten Fiscal Years
(Dollars in Thousands)

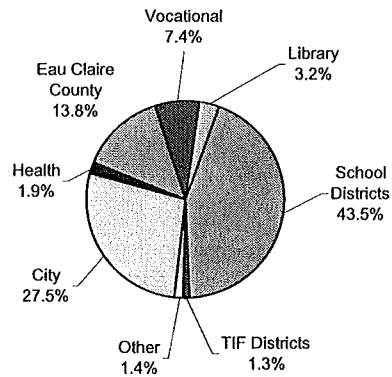
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City	\$ 11,737	\$ 13,284	\$ 14,296	\$ 15,750	\$ 17,512	\$ 18,915	\$ 19,887	\$ 21,081	\$ 22,058	\$ 22,734
TIF Districts	2,423	1,492	1,548	1,703	2,259	2,518	749	905	1,008	1,110
Library	1,710	2,206	2,247	2,305	2,464	2,592	2,637	2,694	2,658	2,712
Health	1,117	1,196	1,219	1,268	1,291	1,379	1,453	1,508	1,537	1,557
Eau Claire School District	23,293	25,595	28,857	31,391	31,828	33,130	32,959	40,550	36,385	35,847
Chippewa Falls School District	34	30	31	111	115	34	34	32	31	31
Altoona School District	12	74	105	117	113	129	145	139	137	140
Vocational District	3,548	3,890	4,223	4,615	5,088	5,410	5,629	5,699	5,951	6,113
Eau Claire County	8,875	7,486	6,495	7,401	8,569	8,917	9,818	10,595	10,947	11,395
Chippewa County	334	336	350	427	429	430	462	462	464	451
State Forestry-Eau Claire County	411	445	476	518	554	596	638	681	674	667
State Forestry-Chippewa County	17	19	20	23	24	25	28	29	27	27
Total tax levy	\$53,511	\$56,053	\$59,867	\$65,629	\$70,246	\$74,075	\$74,439	\$84,375	\$81,877	\$82,784
City percent of total levy	21.93%	23.70%	23.88%	24.00%	24.93%	25.53%	26.72%	24.98%	26.94%	27.46%

CHANGES IN PROPORTIONS - TAX LEVIES BY ENTITY

2006 Tax Levy



2007 Tax Levy



Sources: City of Eau Claire Annual Program of Services, Annual Tax Levy Certification Forms from the Board of Education, Vocational School and Counties.

CITY OF EAU CLAIRE

TABLE 14
REAL AND PERSONAL PROPERTY TAX
LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total tax levy	\$11,737	\$13,284	\$14,296	\$15,750	\$17,512	\$18,915	\$19,888	\$21,081	\$22,058	\$22,734
Current tax collections (1)	11,720	13,180	14,206	15,579	17,329	19,186	19,565	20,781	21,777	22,442
Collection of delinquent personal property taxes from prior years	171	102	102	141	153	228	331	286	162	102
Total tax collections (2)	<u>\$11,891</u>	<u>\$13,282</u>	<u>\$14,308</u>	<u>\$15,720</u>	<u>\$17,482</u>	<u>\$19,414</u>	<u>\$19,896</u>	<u>\$21,067</u>	<u>\$21,939</u>	<u>\$22,544</u>
Percent of current collections to tax levy	99.9%	99.2%	99.4%	98.9%	99.0%	101.4%	98.4%	98.6%	98.7%	98.7%
Percent of total tax collections to tax levy	101.3%	100.0%	100.1%	99.8%	99.8%	102.6%	100.0%	99.9%	99.5%	99.2%
Total delinquent taxes outstanding	\$38	\$43	\$57	\$61	\$95	\$114	\$83	\$101	\$113	\$133

(1) 1998 includes transfer of excess TIF taxes.

(2) NOTE: Does not include mobile home fees or payment in lieu of taxes.

Source: City of Eau Claire Comprehensive Annual Financial Reports

CITY OF EAU CLAIRE

TABLE 15
SPECIAL ASSESSMENT COLLECTIONS
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total assessments levied each fiscal period: (1)										
General fund	\$691	\$563	\$457	\$365	\$130	\$137	\$157	\$75	\$89	\$100
Business Improvement Districts	68	74	74	74	74	75	91	92	141	151
Debt Service	756	1,017	1,160	1,289	1,525	1,566	1,663	1,657	1,516	1,547
Water Utility	214	87	86	101	142	193	191	105	90	99
Sewer Utility	219	95	104	120	183	242	238	122	104	105
Delinquent utility bills	469	442	420	450	587	526	581	521	561	548
Total assessments levied	<u>\$2,417</u>	<u>\$2,278</u>	<u>\$2,301</u>	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<u>\$2,921</u>	<u>\$2,572</u>	<u>\$2,501</u>	<u>\$2,550</u>
Current collections	\$2,417	\$2,278	\$2,301	\$2,399	\$2,641	\$2,739	\$2,921	\$2,572	\$2,501	\$2,550
Delinquent collections	2	0	0	0	0	0	0	0	0	0
Total collections	<u>\$2,419</u>	<u>\$2,278</u>	<u>\$2,301</u>	<u>\$2,399</u>	<u>\$2,641</u>	<u>\$2,739</u>	<u>\$2,921</u>	<u>\$2,572</u>	<u>\$2,501</u>	<u>\$2,550</u>
Delinquent S/A outstanding	\$56	\$56	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

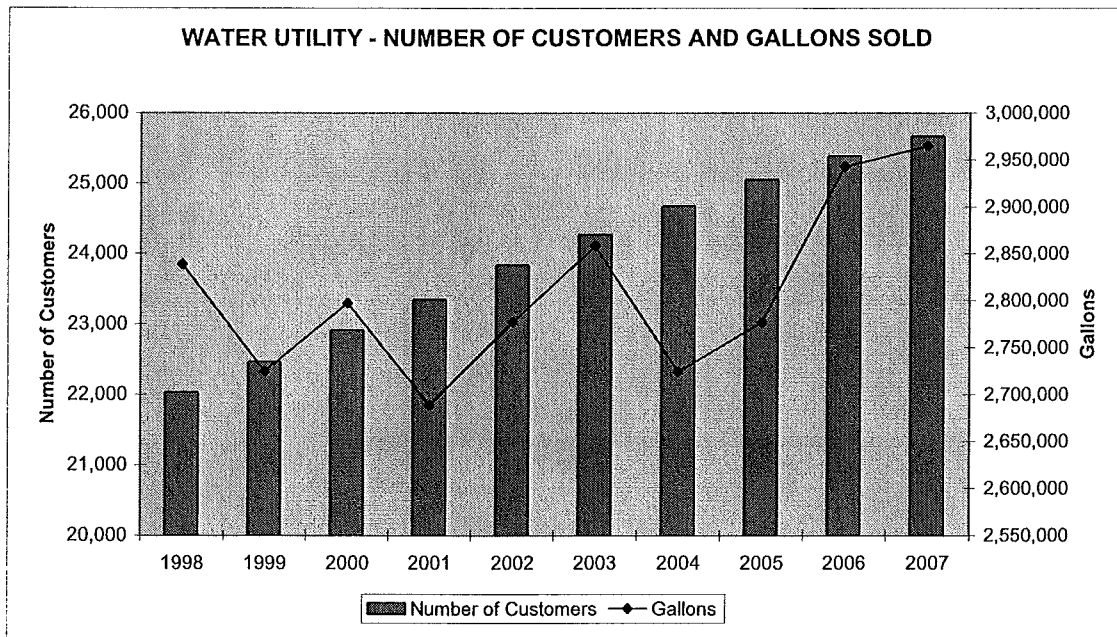
(1) NOTE: Includes current interest due on installment special assessments.

Sources: City of Eau Claire Comprehensive Annual Financial Report; Statement of Taxes

CITY OF EAU CLAIRE

TABLE 16
WATER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of customers										
Residential	19,464	19,851	20,254	20,650	21,115	21,535	21,921	22,264	22,560	22,805
Commercial	2,303	2,342	2,373	2,407	2,424	2,436	2,453	2,484	2,519	2,551
Industrial	96	102	105	108	110	110	110	110	111	111
Public	166	173	181	184	187	189	191	194	199	202
Total	22,029	22,468	22,913	23,349	23,836	24,270	24,675	25,052	25,389	25,669
Gallons (thousands)										
Residential	1,269,242	1,148,110	1,198,843	1,204,880	1,149,851	1,342,086	1,213,839	1,257,567	1,371,987	1,385,600
Commercial	702,248	709,245	681,275	704,283	710,863	703,999	688,356	706,237	694,466	715,582
Industrial	632,586	655,984	700,216	572,885	693,336	581,087	594,416	555,940	616,834	606,778
Public	234,432	210,948	216,808	206,609	222,951	230,292	227,438	256,643	259,278	256,705
Total	2,838,508	2,724,287	2,797,142	2,688,657	2,777,001	2,857,464	2,724,049	2,776,387	2,942,565	2,964,665



Sources: Wisconsin Public Service Commission Annual Reports
Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 17
WATER UTILITY CUSTOMER RATES
LAST TEN FISCAL YEARS

		<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Metered Service											
Quarterly Service Charge											
5/8	inch meter	\$ 12.30	\$ 12.30	\$ 12.30	\$ 13.95	\$ 13.95	\$ 14.37	\$ 14.37	\$ 14.37	\$ 15.60	\$ 15.60
3/4	inch meter	12.30	12.30	12.30	13.95	13.95	14.37	14.37	14.37	15.60	15.60
1	inch meter	18.00	18.00	18.00	21.00	21.00	21.63	21.63	21.63	22.80	22.80
1 1/4	inch meter	24.00	24.00	24.00	27.00	27.00	27.81	27.81	27.81	30.00	30.00
1 1/2	inch meter	30.00	30.00	30.00	33.00	33.00	33.99	33.99	33.99	36.60	36.00
2	inch meter	52.00	52.00	52.00	54.00	54.00	55.62	55.62	55.62	55.80	55.80
3	inch meter	90.00	90.00	90.00	96.00	96.00	98.88	98.88	98.88	99.00	99.00
4	inch meter	105.00	105.00	105.00	120.00	120.00	123.60	123.60	123.60	129.00	129.00
6	inch meter	189.00	189.00	189.00	207.00	207.00	213.21	213.21	213.21	225.00	225.00
8	inch meter	300.00	300.00	300.00	309.00	309.00	318.27	318.27	318.27	339.00	339.00
10	inch meter	450.00	450.00	450.00	450.00	450.00	463.50	463.50	463.50	489.00	489.00
12	inch meter	576.00	576.00	576.00	582.00	582.00	599.46	599.46	599.46	639.00	639.00
Volume rate (per 100 cubic feet)											
	First 7,500 cubic feet	\$ 0.97	\$ 0.97	\$ 0.97	\$ 1.17	\$ 1.17	\$ 1.21	\$ 1.21	\$ 1.21	\$ 1.31	\$ 1.31
	Next 742,500 cubic feet	0.86	0.86	0.86	1.01	1.01	1.04	1.04	1.04	1.13	1.13
	Over 750,000 cubic feet	0.53	0.53	0.53	0.67	0.67	0.69	0.69	0.69	0.79	0.79
Public Fire Protection											
Quarterly Service Charge											
5/8	inch meter	\$ 8.20	\$ 8.20	\$ 8.20	\$ 9.18	\$ 9.18	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46
3/4	inch meter	8.20	8.20	8.20	9.18	9.18	9.46	9.46	9.46	9.46	9.46
1	inch meter	20.50	20.50	20.50	22.80	22.80	23.48	23.48	23.48	23.48	23.48
1 1/4	inch meter	30.75	30.75	30.75	33.90	33.90	34.92	34.92	34.92	34.92	34.92
1 1/2	inch meter	41.00	41.00	41.00	45.90	45.90	47.28	47.28	47.28	47.28	47.28
2	inch meter	66.00	66.00	66.00	73.50	73.50	75.71	75.71	75.71	75.71	75.71
3	inch meter	123.00	123.00	123.00	138.00	138.00	142.14	142.14	142.14	142.14	142.14
4	inch meter	205.00	205.00	205.00	228.00	228.00	234.84	234.84	234.84	234.84	234.84
6	inch meter	408.00	408.00	408.00	459.00	459.00	472.77	472.77	472.77	472.77	472.77
8	inch meter	653.00	653.00	653.00	732.00	732.00	753.96	753.96	753.96	753.96	753.96
10	inch meter	980.00	980.00	980.00	1,101.00	1,101.00	1,134.03	1,134.03	1,134.03	1,134.03	1,134.03
12	inch meter	1,306.00	1,306.00	1,306.00	1,467.00	1,467.00	1,511.01	1,511.01	1,511.01	1,511.01	1,511.01

Source: Customer Services - City of Eau Claire

Note: Increases in water rates must be approved by the Public Service Commission of Wisconsin.

CITY OF EAU CLAIRE

TABLE 18
WATER UTILITY - TEN LARGEST CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

2007			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	209,152,768	\$ 260,894	7.1%
Nestles Food Company	177,177,264	227,588	6.0%
Cascade Tissue	119,670,276	151,674	4.0%
University of Wisconsin-Eau Claire	78,708,300	132,854	2.7%
American Phoenix	48,357,452	67,148	1.6%
3M	39,883,360	52,893	1.3%
Sacred Heart Hospital	35,633,972	68,489	1.2%
Luther Midelfort-Mayo Health	28,574,348	47,562	1.0%
Eau Claire School District	13,444,552	20,482	0.5%
Huebsch Laundry Company	13,294,204	20,533	0.4%
Subtotal (ten largest)	763,896,496	1,050,117	25.8%
All other customers	2,200,768,504	6,015,803	74.2%
Grand Totals	2,964,665,000	\$ 7,065,920	100.0%

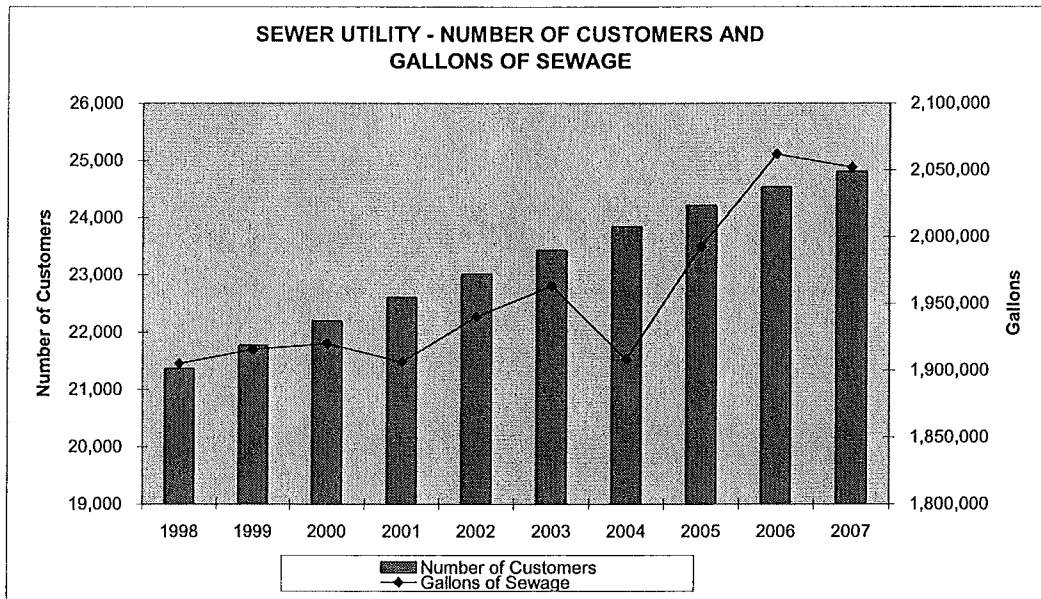
1998			
<u>Customer</u>	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Pope & Talbot (Cascade Tissue)	278,026,000	\$ 164,658	9.5%
Nestle Food USA	271,630,000	170,030	9.3%
American Phoenix	144,250,000	86,806	4.9%
University of Wisconsin-Eau Claire	134,495,000	126,576	4.6%
Hutchinson Technology	68,140,000	55,160	2.3%
Luther Midelfort-Mayo Health	56,755,000	52,032	1.9%
Eau Claire School District	49,729,000	51,891	1.7%
Sacred Heart Hospital	46,930,000	42,276	1.6%
Oakwood Mall	28,175,000	28,008	1.0%
W.L. Gore	25,993,000	23,084	0.9%
Subtotal (ten largest)	1,104,123,000	800,521	37.7%
All other customers	1,813,365,000	3,443,455	62.3%
Grand Totals	2,917,488,000	\$ 4,243,976	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 19
SEWER UTILITY CUSTOMER SUMMARY
LAST TEN FISCAL YEARS

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of customers										
Residential	18,951	19,316	19,697	20,078	20,479	20,891	21,279	21,616	21,911	22,157
Commercial	2,185	2,222	2,255	2,280	2,282	2,289	2,315	2,341	2,365	2,391
Industrial	85	89	91	93	93	92	92	93	94	95
Public	141	147	153	156	158	159	161	164	166	167
Total	21,362	21,774	22,196	22,607	23,012	23,431	23,847	24,214	24,536	24,810
Gallons (thousands)										
Residential	921,117	910,597	935,340	957,711	954,338	985,693	983,564	982,929	989,805	1,005,253
Commercial	635,590	634,185	617,395	628,365	620,180	642,469	590,527	613,281	609,161	602,989
Industrial	209,958	237,705	240,671	204,831	244,237	209,427	221,503	275,062	348,936	334,562
Public	138,403	133,152	126,492	115,112	121,267	125,447	112,455	121,395	113,783	109,208
Total	1,905,068	1,915,639	1,919,898	1,906,019	1,940,022	1,963,036	1,908,049	1,992,667	2,061,685	2,052,012



Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 20
SEWER UTILITY CUSTOMER RATES
LAST TEN FISCAL YEARS

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Metered Service										
Quarterly Minimum Charge	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32	\$ 16.32
Volume rate (per 100 cubic feet)	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04	\$ 2.04

Sources: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 21
SEWER UTILITY - TEN LARGEST CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

<u>Customer</u>	2007		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Hutchinson Technology	155,494,988	\$ 424,077	7.5%
Nestles Food Company	120,072,900	327,472	5.8%
University of Wisconsin-Eau Claire	62,312,100	169,942	3.0%
3M	36,104,464	150,844	1.8%
Sacred Heart Hospital	33,211,200	90,576	1.6%
Luther Midelfort-Mayo Health	24,727,736	67,439	1.2%
Eau Claire School District	17,773,213	48,472	0.9%
Huebsch Laundry Co.	13,294,204	56,394	0.6%
Oakwood Village	13,005,476	56,388	0.6%
Silver Springs Gardens	6,102,932	16,644	0.3%
Subtotal (ten largest)	482,099,213	1,408,248	23.3%
All other customers	1,579,585,787	4,214,528	76.7%
Grant Totals	2,061,685,000	\$ 5,622,776	100.0%

<u>Customer</u>	1998		
	<u>Gallons Billed</u>	<u>Amount Billed</u>	<u>% of Total</u>
Nestles Food Company	108,385,567	\$ 295,597	5.7%
University of Wisconsin-Eau Claire	86,872,482	236,925	4.6%
Hutchinson Technology	49,830,367	135,901	2.6%
Luther Midelfort-Mayo Health	40,971,700	111,741	2.2%
Sacred Heart Hospital	29,611,267	80,758	1.6%
Eau Claire School District	24,624,336	67,157	1.3%
Oakwood Mall	20,725,100	56,523	1.1%
Huebsch Laundry Co.	15,518,067	42,322	0.8%
W.L. Gore	13,022,167	35,515	0.7%
American Phoenix	11,985,967	32,689	0.6%
Subtotal (ten largest)	401,547,020	1,095,128	21.2%
All other customers	1,503,520,980	4,200,058	78.8%
Grant Totals	1,905,068,000	\$ 5,295,186	100.0%

Source: Customer Services - City of Eau Claire

CITY OF EAU CLAIRE

TABLE 22
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollars in Thousands, except per capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Promissory Notes	State Trust Fund Loans	General Obligation Bonds	State Trust Fund Loans	Revenue Bonds			
1998	\$ 34,145	\$ -	\$ 189	\$ -	\$ -	\$ 14,985	\$ 49,319	3.50%	\$ 816
1999	38,600	-	166	-	-	14,250	53,016	3.58%	867
2000	42,535	-	142	-	-	13,480	56,157	3.56%	910
2001	39,365	-	118	8,865	-	14,345	62,693	3.88%	1,005
2002	37,600	2,000	95	9,750	-	12,655	62,100	3.71%	982
2003	45,670	-	71	10,990	320	12,740	69,791	4.05%	1,092
2004	47,465	-	227	12,140	320	11,685	71,837	4.01%	1,124
2005	48,955	-	146	13,415	297	10,595	73,408	4.06%	1,136
2006	49,565	-	111	13,635	266	9,460	73,037	3.87%	1,123
2007	54,475	-	76	15,155	232	10,285	80,223	4.10%	1,230

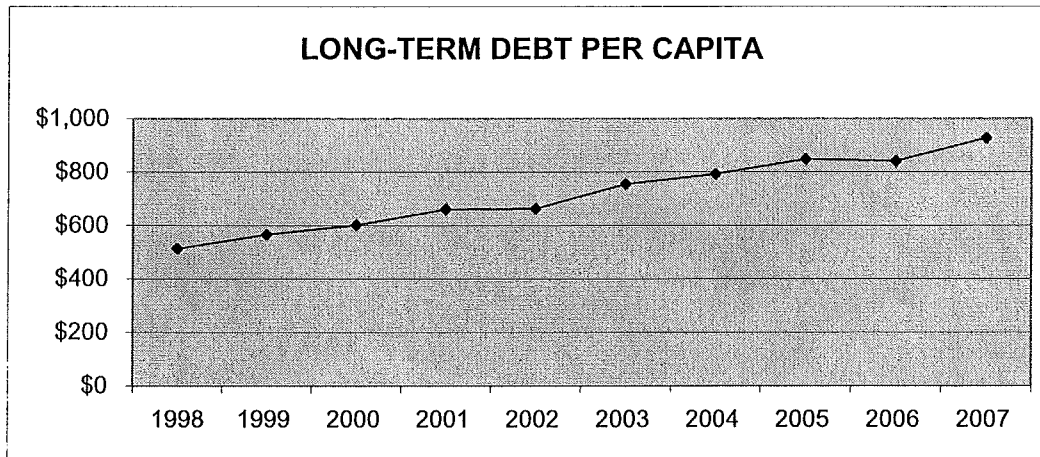
Source: City of Eau Claire Comprehensive Annual Financial Reports

Note: Personal income data and population data can be found on Table 29.

CITY OF EAU CLAIRE

TABLE 23
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population	60,449	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202
Equalized valuation	\$2,321,055	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179
General obligation bonds	34,145	38,600	42,535	48,230	47,350	56,660	59,605	62,370	63,200	69,630
Promissory Notes	-	-	-	-	2,000	-	-	-	-	-
State trust fund loans	189	166	142	118	95	71	547	443	377	308
Total long-term debt (1)	34,334	38,766	42,677	48,348	49,445	56,731	60,152	62,813	63,577	69,938
Resources on hand for payment of debt	3,362	4,232	5,571	7,208	7,590	8,560	9,566	8,039	8,862	9,504
Net long-term debt	\$ 30,972	\$ 34,534	\$ 37,106	\$ 41,140	\$ 41,855	\$ 48,171	\$ 50,586	\$ 54,774	\$ 54,715	\$ 60,434
Percent of net long-term debt to equalized value	1.33%	1.39%	1.37%	1.42%	1.35%	1.45%	1.43%	1.46%	1.38%	1.47%
Net long-term debt per capita (not in thousands)	\$512	\$565	\$601	\$660	\$662	\$754	\$792	\$847	\$841	\$927



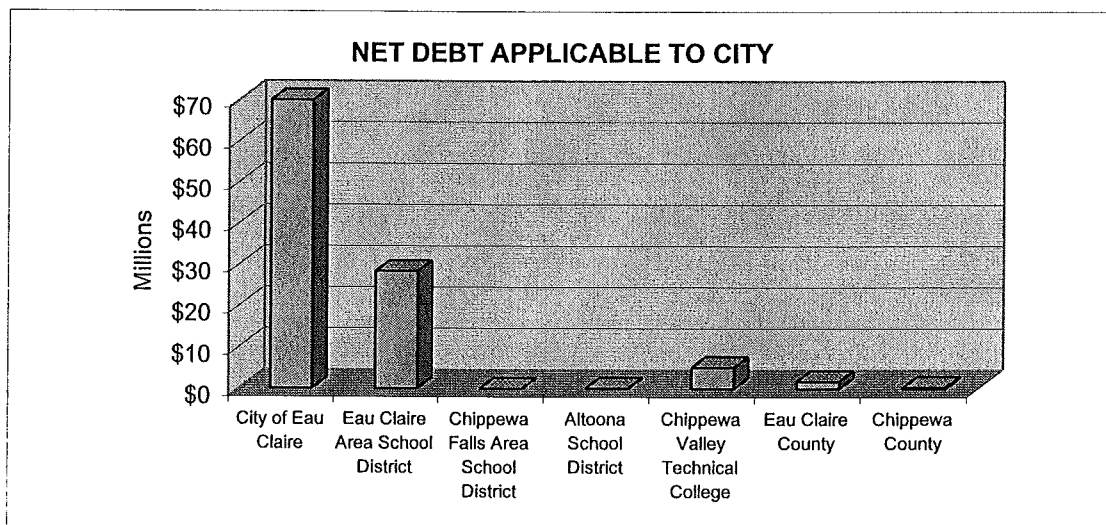
(1) NOTE: Includes General Long-Term Debt and Enterprise General Obligation Debt. Other enterprise debt and accrued employee absences are not included.

Sources: State of Wisconsin, Department of Administration, Demographic Services Center (population)
City of Eau Claire Assessor's Office, Statement of Changes in Equalized Values by Class & Item, as compiled by the Wisconsin Department of Revenue.

CITY OF EAU CLAIRE

TABLE 24
SCHEDULE OF DIRECT AND INDIRECT
GENERAL OBLIGATION DEBT
December 31, 2007

Governmental Unit	Total Debt	Estimated Percentage Applicable To City (1)	Net Debt Applicable To City
Direct debt:			
City of Eau Claire	\$ 69,938,214	100.00%	\$ 69,938,214
Indirect debt:			
Eau Claire Area School District	38,108,397	74.66%	28,451,276
Chippewa Falls Area School District	1,485,000	0.18%	2,600
Altoona School District	7,468,209	2.95%	220,635
Chippewa Valley Technical College	26,115,000	19.94%	5,207,529
Eau Claire County	3,004,230	61.16%	1,837,336
Chippewa County	11,733,812	3.55%	416,105
Total indirect debt	87,914,648		36,135,481
Total direct and indirect debt	\$ 157,852,862		\$ 106,073,695
Indirect debt per capita			\$ 554
Indirect debt as a % of equalized value			0.88%
Total direct and indirect debt per capita			\$ 1,627
Total direct and indirect debt as a % of equalized value			2.58%



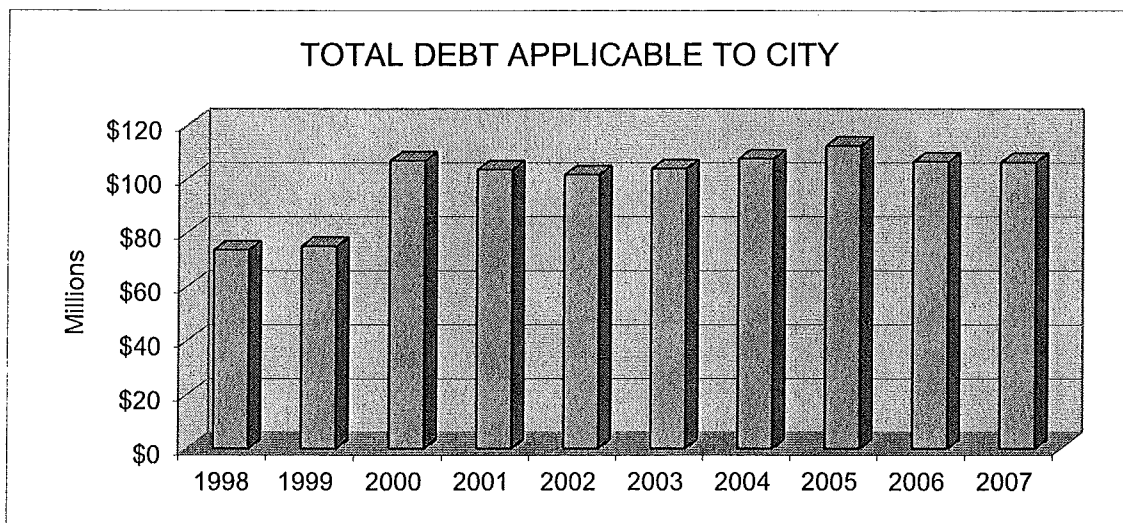
(1) NOTE: The percentage of debt applicable to the City is based on the most recent equalized value of the taxing districts within the City as compared to the entire district.

Sources: City of Eau Claire Comprehensive Annual Financial Report
Financial Officers of the overlapping School Districts and Counties

CITY OF EAU CLAIRE

TABLE 25
SCHEDULE OF DIRECT AND INDIRECT
GENERAL OBLIGATION DEBT
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total debt applicable to City	\$73,564	\$74,929	\$106,623	\$103,233	\$101,371	\$103,629	\$107,321	\$112,127	\$106,253	\$106,074
Direct debt:										
General City	\$34,334	\$38,766	\$42,677	\$48,348	\$49,445	\$57,051	\$60,152	\$62,813	\$63,577	\$69,938
Percent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Indirect debt:										
Eau Claire Area										
School District	\$26,808	\$24,992	\$52,325	\$44,755	\$41,859	\$35,544	\$36,605	\$39,569	\$34,154	\$28,451
Percent	76.28%	75.81%	75.98%	74.79%	74.93%	75.74%	75.01%	74.69%	74.77%	74.66%
Chippewa Falls Area										
School District	\$53	\$48	\$165	\$132	\$31	\$23	\$15	\$10	\$6	\$3
Percent	0.26%	0.25%	0.82%	0.76%	0.22%	0.22%	0.20%	0.19%	0.18%	18.00%
Altoona School District	\$137	\$316	\$309	\$300	\$269	\$271	\$256	\$248	\$221	\$221
Percent	2.44%	3.27%	3.34%	3.24%	3.02%	3.19%	3.10%	3.02%	2.93%	2.95%
C.V. Technical College	\$4,324	\$3,732	\$3,977	\$3,959	\$4,438	\$5,834	\$5,939	\$5,901	\$5,606	\$5,208
Percent	22.54%	22.04%	21.78%	20.85%	20.95%	21.07%	20.57%	20.48%	20.04%	19.94%
Eau Claire County	\$7,907	\$6,637	\$6,550	\$5,177	\$4,752	\$4,355	\$3,848	\$3,083	\$2,242	\$1,837
Percent	62.80%	62.05%	62.06%	60.78%	61.13%	61.64%	61.42%	61.27%	61.39%	61.16%
Chippewa County	\$0	\$438	\$619	\$563	\$577	\$551	\$506	\$503	\$447	\$416
Percent	0.00%	4.38%	4.49%	4.08%	4.03%	4.04%	3.90%	3.74%	3.54%	3.55%



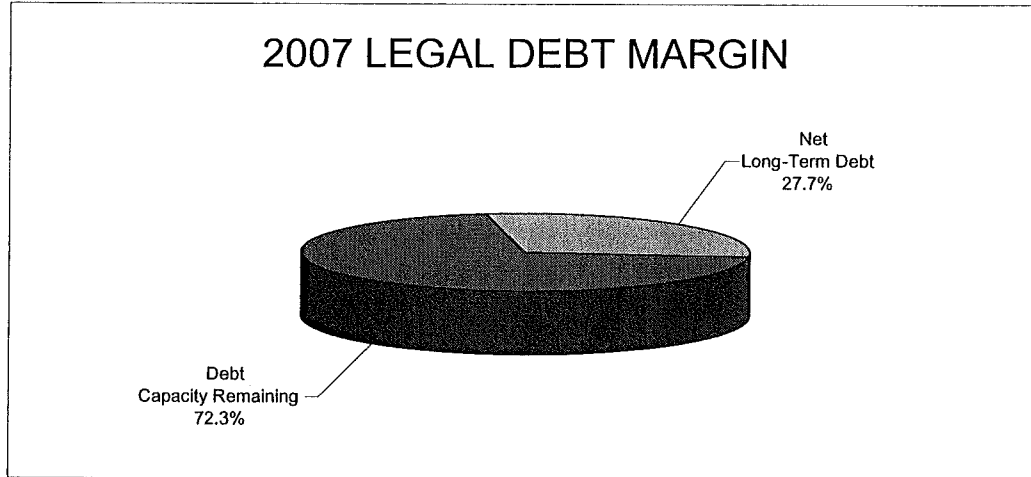
(1) NOTE: 1997 was the first year that any portion of the Altoona School District was included in the City of Eau Claire.

Source: City of Eau Claire Schedule of Long-Term Debt

CITY OF EAU CLAIRE

TABLE 26
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Equalized valuation	\$2,321,055	\$2,480,574	\$2,706,974	\$2,889,295	\$3,105,363	\$3,330,561	\$3,546,277	\$3,741,043	\$3,951,641	\$4,110,179
Legal debt percentage	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Legal debt limit	\$116,053	\$116,053	\$135,349	\$144,465	\$155,268	\$166,528	\$177,314	\$187,052	\$197,582	\$205,509
Resources on hand for payment of debt	\$3,362	\$4,232	\$5,571	\$7,208	\$7,590	\$8,560	\$9,566	\$8,039	\$8,862	\$9,504
Net long-term debt	\$30,972	\$34,534	\$37,106	\$41,140	\$41,855	\$48,171	\$50,586	\$54,774	\$54,715	\$60,434
Legal debt margin	\$85,081	\$81,518	\$98,243	\$103,325	\$113,413	\$118,357	\$126,728	\$132,278	\$142,867	\$145,075
Legal debt margin as a percentage of the debt limit	73%	70%	73%	72%	73%	71%	71%	71%	72%	71%



Sources: City of Eau Claire Comprehensive Annual Financial Report
City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 27
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
(Dollars in Thousands)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>WATER UTILITY</u>										
Operating revenue	\$5,615	\$5,911	\$6,105	\$6,460	\$6,519	\$6,986	\$6,846	\$7,150	\$7,600	\$8,100
Operating expense (1)	\$2,237	\$2,359	\$2,678	\$2,900	\$2,743	\$2,984	\$3,012	\$3,337	\$3,295	\$3,609
Income available for debt service	\$3,378	\$3,552	\$3,427	\$3,560	\$3,776	\$4,002	\$3,834	\$3,813	\$4,305	\$4,491
Debt service current year (2)	\$1,100	\$989	\$987	\$944	\$1,003	\$978	\$1,065	\$1,058	\$1,063	\$1,062
Coverage	3.07	3.59	3.47	3.77	3.76	4.09	3.60	3.60	4.05	4.23
Debt service for highest principal and interest year in retirement schedule	\$989	\$988	\$988	\$1,034	\$1,034	\$1,077	\$1,078	\$1,078	\$1,078	\$1,244
Coverage on highest year	3.42	3.60	3.47	3.44	3.65	3.72	3.56	3.54	3.99	3.61
<u>SEWER UTILITY</u>										
Operating revenue	\$5,765	\$5,869	\$5,906	\$5,721	\$5,814	\$6,025	\$5,833	\$6,156	\$6,295	\$6,291
Operating expense (1)	\$3,026	\$3,551	\$3,488	\$3,718	\$3,628	\$3,804	\$3,817	\$3,887	\$4,184	\$4,100
Income available for debt service	\$2,739	\$2,318	\$2,418	\$2,003	\$2,186	\$2,221	\$2,016	\$2,269	\$2,111	\$2,191
Debt service current year (2)	\$900	\$535	\$531	\$533	\$533	\$513	\$518	\$522	\$525	\$528
Coverage	3.04	4.33	4.55	3.76	4.10	4.33	3.89	4.35	4.02	4.15
Debt service for highest principal and interest year in retirement schedule	\$544	\$544	\$544	\$544	\$528	\$528	\$528	\$528	\$528	\$520
Coverage on highest year	5.03	4.26	4.44	3.68	4.14	4.21	3.82	4.30	4.00	4.21

(1) NOTE: Operating expense does not include depreciation or property tax equivalent.

(2) NOTE: Includes only revenue bond principal and interest.

Sources: City of Eau Claire Comprehensive Annual Financial Report
City of Eau Claire Schedule of Long Term Debt annual report

CITY OF EAU CLAIRE

TABLE 28
RATIO OF ANNUAL GENERAL FUND DEBT PAYMENTS
TO TOTAL GENERAL FUND EXPENDITURES AND
OTHER FINANCING USES
Last Ten Fiscal Years
(Dollars in Thousands)

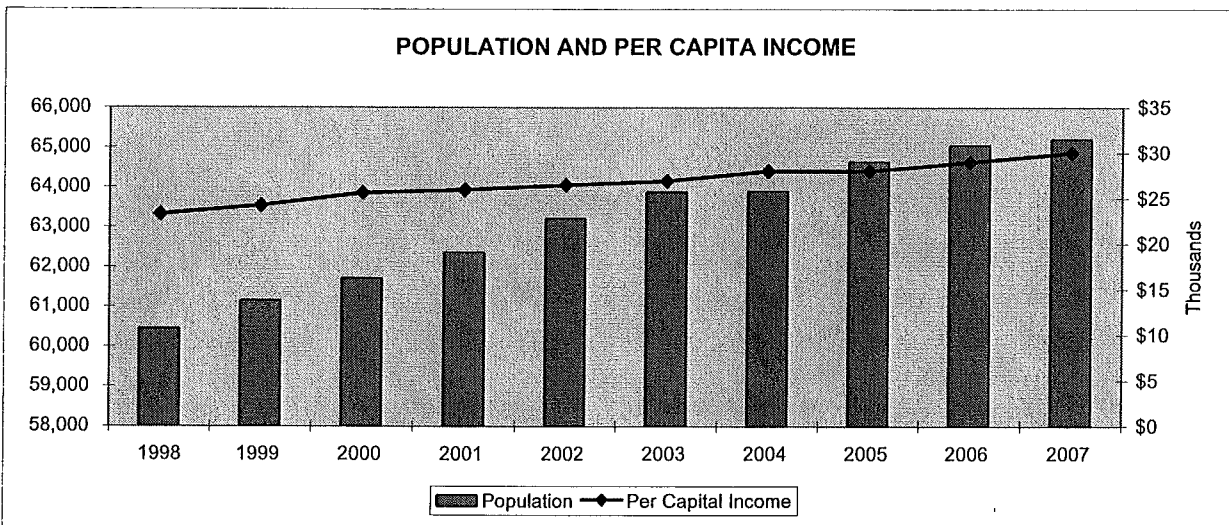
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Transfers to Debt Service fund	\$1,109	\$1,463	\$1,588	\$1,751	\$1,985	\$2,147	\$2,334	\$2,735	\$2,731	\$2,853
Total expenditures and other financing uses	\$34,115	\$35,478	\$38,381	\$39,538	\$40,592	\$41,359	\$42,666	\$44,721	\$45,839	\$47,775
Percent of debt transfers to expenditures and other financing uses	3.3%	4.1%	4.1%	4.4%	4.9%	5.2%	5.5%	6.1%	6.0%	6.0%

Source: City of Eau Claire Annual Program of Services

CITY OF EAU CLAIRE

TABLE 29
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population	60,449	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202
Consumer price index (1)	163.1	166.6	172.2	177.1	179.9	184.0	188.9	195.3	201.6	207.3
Per capita income (2)	\$23	\$24	\$26	\$26	\$26	\$27	\$28	\$28	\$29	\$30
Personal income	\$1,407,857	\$1,481,420	\$1,579,190	\$1,617,826	\$1,673,970	\$1,721,173	\$1,789,372	\$1,809,696	\$1,886,624	\$1,956,060
Area in square miles	32.00	32.23	32.59	32.33	33.00	33.29	33.32	33.59	33.85	33.87
Number of business properties	1,410	1,425	1,445	1,455	1,460	1,480	1,495	1,494	1,507	1,520
Acres devoted to business	3,013	3,080	3,110	3,135	3,139	3,180	3,190	3,192	3,209	3,271
Miles of street	339.6	346.0	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4



(1) U.S. All Cities Consumer Price Index for all urban consumers (CPU-U), annual average.

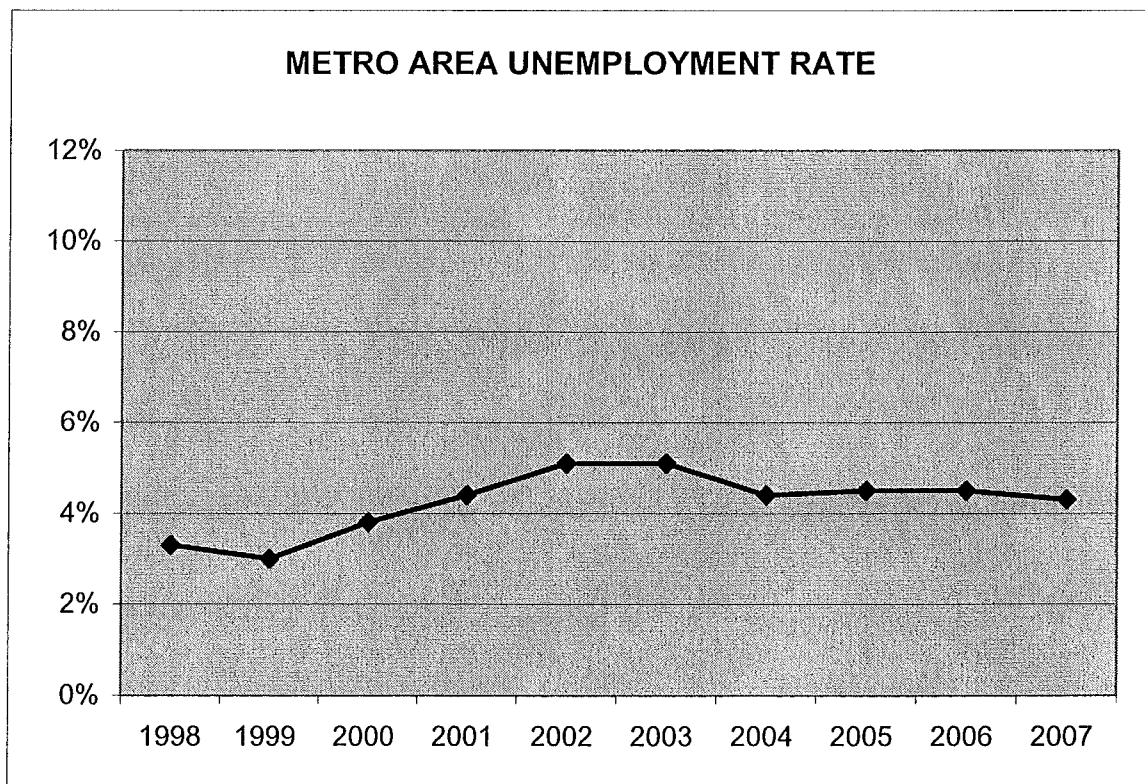
(2) Through 2006, U.S. Bureau of Economic Analysis; 2007 is estimated.

Sources: City of Eau Claire Department of Community Development
City of Eau Claire Public Works Department

CITY OF EAU CLAIRE

TABLE 29 (cont.)
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of residential parcels	18,186	18,217	18,447	18,814	19,004	19,087	19,313	19,678	19,838	20,072
Vacancy rates (per cent):										
Residential	3.00	3.00	3.00	3.50	3.75	3.75	4.25	4.75	4.80	4.70
Commercial	9.00	7.00	7.00	8.80	8.00	7.75	9.60	5.60	5.50	4.75
Industrial	4.50	2.00	2.00	6.50	8.50	8.00	13.80	20.80	17.70	7.50
Unemployment rate E.C. Metro Area	3.3%	3.0%	3.8%	4.4%	5.1%	5.1%	4.4%	4.5%	4.5%	4.3%



Sources: Department of Community Development
WI Dept. of Labor, Bureau of Workforce Information
Statistical Report of Property Values - Eau Claire and Chippewa Counties

CITY OF EAU CLAIRE

TABLE 30
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2007			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Menard's Inc.	4,500	1	12%	2,000	1	6%
Luther Midelfort, Mayo Health System	3,145	2	9%	1,200	4	4%
Hutchinson Technology	1,766	3	5%	1,825	2	5%
Eau Claire Area School District	1,733	4	5%	1,486	3	4%
University of Wisconsin - Eau Claire	1,450	5	4%	1,200	5	4%
Sacred Heart Hospital	1,350	6	4%	-		
CVTC	1,303	7	4%	400	10	1%
United Health Group	1,191	8	3%	-		
Marshfield Clinic	744	9	2%	-		
City of Eau Claire	569	10	2%	499	9	1%
Brotoloc/Heyde Health Care	-			980	6	3%
State of Wisconsin	-			620	7	2%
Eau Claire County	-			527	8	2%
Total Principal Employers	<u>17,751</u>		50%	<u>10,737</u>		32%
TOTAL EMPLOYEES	36,702			33,997		

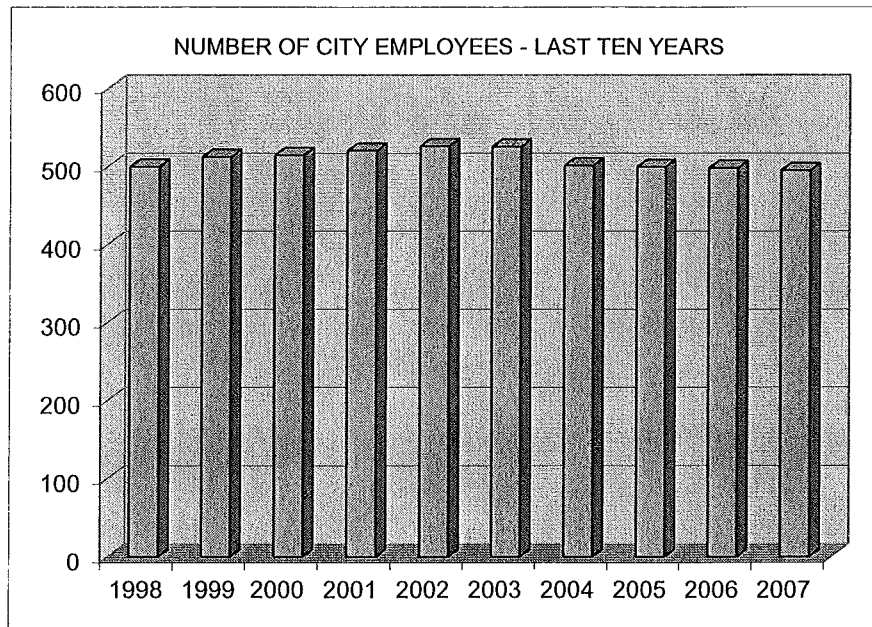
Sources : Greater Eau Claire Area Chamber of Commerce
Wisconsin Department of Workforce Development, Office of Economic Advisors

Note : 2007 numbers are preliminary

CITY OF EAU CLAIRE

TABLE 31
EMPLOYEE SUMMARY -
NUMBER OF MUNICIPAL EMPLOYEES
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government	62.6	65.8	66.8	69.9	71.9	71.4	66.9	66.3	66.0	64.5
Public Works	68.5	72.0	73.5	73.0	74.0	71.0	64.0	62.0	62.0	61.0
Parks & Recreation	39.8	40.8	40.8	40.8	40.8	40.8	37.8	38.8	37.8	37.8
Public Safety	222.0	222.0	224.0	227.0	228.0	228.0	222.0	222.0	222.0	223.0
Enterprise Funds	96.2	101.3	100.8	101.3	102.8	105.8	102.0	101.8	101.7	100.0
Internal Service Funds	10.0	10.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total Employees	499.1	511.9	513.9	519.9	525.4	524.9	500.7	498.9	497.5	494.3



NOTES: Public Library and City-County Health employees are not included.
A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City of Eau Claire Program of Services

CITY OF EAU CLAIRE

TABLE 32
EMPLOYEE SUMMARY
SCHEDULE OF COMPENSATED ABSENCES
Last Ten Fiscal Years
(Total Unused Time In Days)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Compensatory leave	610	666	736	630	543	456	541	688	561	411
Vacation leave	5,398	5,792	5,574	5,992	5,729	12,534	12,607	5,448	7,180	5,303
	6,008	6,458	6,310	6,622	6,272	12,990	13,148	6,136	7,741	5,714
Sick leave	37,268	37,261	37,241	36,917	37,227	36,240	38,024	35,764	43,214	33,295
Total compensatory, vacation, and sick leave	43,276	43,719	43,551	43,539	43,499	49,230	51,172	41,900	50,955	39,009

NOTE: Unused compensatory and vacation leave are paid upon retirement and the value of accrued time is included as a liability on the Statement of Net Assets.

Sick leave is paid only as used during employment.

CITY OF EAU CLAIRE

TABLE 33
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

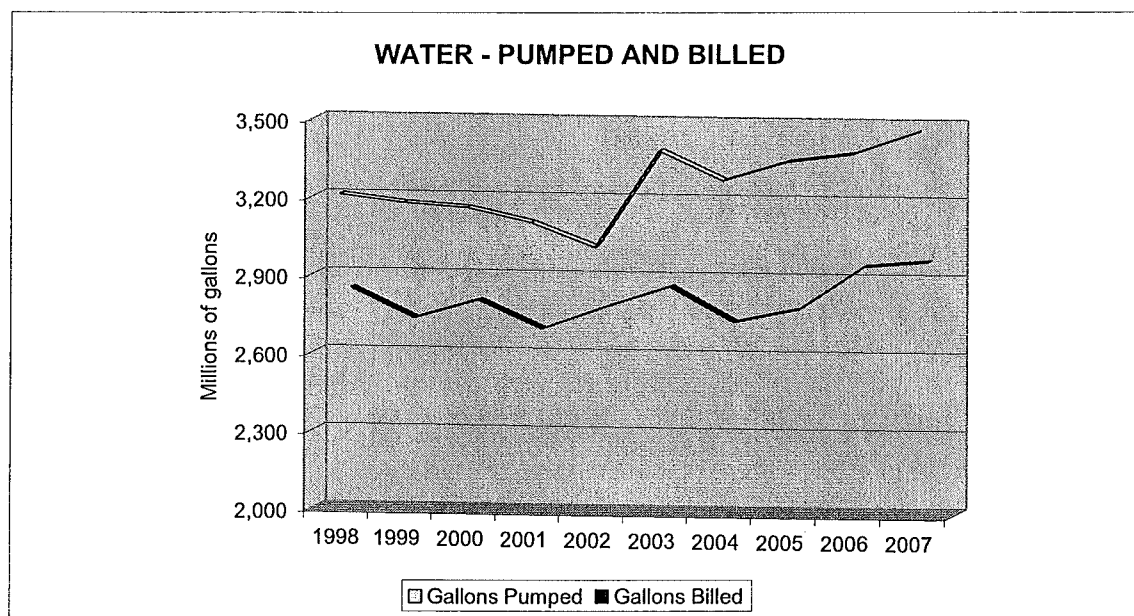
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government										
Size of the City in square miles	32.00	32.23	32.59	32.33	33.00	33.29	33.32	33.19	33.45	33.47
Population	60,449	61,150	61,704	62,368	63,214	63,882	63,897	64,632	65,056	65,202
Number of City employees	499.1	511.9	513.9	519.9	525.4	524.9	500.7	498.9	497.5	494.3
Community Development										
Building permits issued	1,516	1,431	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159
Police										
Calls for service	33,262	33,006	33,071	33,371	32,490	31,545	31,717	31,048	30,750	30,006
Adult arrests	4,768	4,601	3,610	4,311	5,039	4,589	5,309	5,697	6,171	5,891
Fire										
EMS responses	2,728	3,151	3,251	3,471	3,774	3,908	4,191	4,559	4,741	4,622
Fire responses	197	207	170	160	144	211	182	204	201	166
Fire inspections	4,552	4,736	5,526	5,752	5,840	5,910	5,950	6,071	6,148	5,893
Public Works										
Miles of street plowed/maintained	312	310	307	319	319	319	323	326	333	335
Vehicles in fleet	252	250	252	252	258	262	282	284	284	284
Parks & Recreation										
Neighborhood playground program attendance	15,501	15,559	15,582	14,353	13,141	11,904	12,774	13,063	11,625	10,368
Hobbs Ice Arena - rented hours	3,338	3,338	4,825	3,206	4,631	3,794	3,952	3,425	3,554	3,321
Outdoor Pool attendance	69,074	69,227	60,442	71,192	62,101	60,141	45,961	62,151	58,025	51,560
Library										
Volumes in collection	259,135	273,034	270,931	267,617	292,957	297,877	292,957	294,077	297,799	304,261
Circulation	794,304	826,937	843,187	969,344	1,084,708	1,314,267	1,354,595	1,387,388	1,367,066	1,345,609
Health Department										
Environmental Health Inspections	5,946	5,907	5,575	5,269	5,700	5,383	5,120	5,145	5,387	5,470
Number of lab analyses	19,985	23,454	24,383	21,590	21,415	21,151	24,002	23,351	24,507	21,858
Public Health Nurse visits	7,185	6,679	7,206	7,259	6,129	4,719	5,396	5,507	5,022	4,751
Water										
Meters in service	22,289	23,303	23,004	24,500	24,110	24,467	24,783	25,176	25,424	25,660
Average daily consumption (1,000 gallons)	6,711	7,993	7,663	7,366	7,608	7,828	7,463	7,606	8,067	8,122
Sewer										
Sewer customers	21,362	21,774	22,196	22,607	23,012	23,431	23,847	24,214	24,536	24,810
Stormwater										
ERU rate	\$ 25.00	\$ 27.00	\$ 29.00	\$ 33.00	\$ 36.00	\$ 41.00	\$ 43.00	\$ 47.00	\$ 53.00	\$ 59.00
Transit										
Total route miles	660,222	726,843	966,306	1,055,167	1,023,548	1,113,066	1,010,582	1,045,132	1,066,727	900,099
Passengers	872,116	877,984	896,873	938,718	927,129	971,414	956,610	1,010,644	1,030,374	1,067,303

Source: Various City Department records and Program of Services

CITY OF EAU CLAIRE

TABLE 34
WATER UTILITY - PRODUCTION STATISTICS
Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Average number of water customers	22,029	22,468	22,913	23,349	23,836	24,270	24,675	25,052	25,389	25,664
Total gallons pumped (in thousands)	3,220,545	3,191,406	3,175,349	3,120,404	3,028,641	3,404,126	3,292,365	3,367,293	3,399,614	3,487,015
Total gallons billed (in thousands)	2,838,508	2,724,287	2,797,142	2,688,657	2,777,001	2,857,464	2,724,099	2,776,387	2,942,565	2,964,665
Percent of water billed	88.14%	85.36%	88.09%	86.16%	91.69%	83.94%	82.74%	82.45%	86.56%	85.02%
Miles of main	322	330	335	336	340	341	350	351	357	366
Number of fire hydrants	3,007	3,060	3,136	3,230	3,277	3,337	3,395	3,445	3,530	3,671
Residential customer's average quarterly water bill	\$34.61	\$37.74	\$37.74	\$40.86	\$40.86	\$41.50	\$42.20	\$42.20	\$45.73	\$45.73



Source: Public Service Commission Reports

CITY OF EAU CLAIRE

TABLE 35
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Police										
Patrol units	24	24	24	21	21	21	21	21	21	21
Unmarked vehicles	10	16	16	14	14	14	14	14	14	14
Fire										
Number of fire stations	6	6	6	6	6	6	6	6	6	6
Firefighting vehicles	9	10	10	10	10	10	10	10	10	10
Ambulances	5	5	5	5	5	5	5	5	5	6
Public Works										
Miles of streets	339.6	346.0	345.9	350.2	352.2	355.0	358.5	361.5	366.0	341.4
Number of traffic signs installed/straightened	2093	1389	1372	1103	1426	1089	915	688	673	489
Vehicles in fleet	252	250	252	252	258	262	282	284	284	284
Parks & Recreation										
Number of parks	21	26	26	29	31	32	33	36	36	32
Number of playgrounds	20	23	19	19	19	17	17	18	20	18
Outdoor pool	1	1	1	1	1	1	1	1	1	1
Indoor ice skating facilities	2	2	2	2	2	2	2	2	2	2
Water										
Water hydrants	3007	3060	3136	3230	3277	3337	3395	3445	3530	3671
Storage capacity (1)	13.7	13.7	15	15	15	15.5	15.5	15.5	15.5	15.5
Sewer										
Miles of sewers	280	285	290	285	290	290	297	306	316	319
Treatment capacity (1)	12	12	12	12	12	12	12	12	12	12
Parking Utility										
Parking structures	2	2	2	2	2	2	2	2	2	2
Surface lots	12	13	12	12	12	12	12	11	11	11
Transit										
Number of buses	24	24	24	24	22	22	22	22	22	22

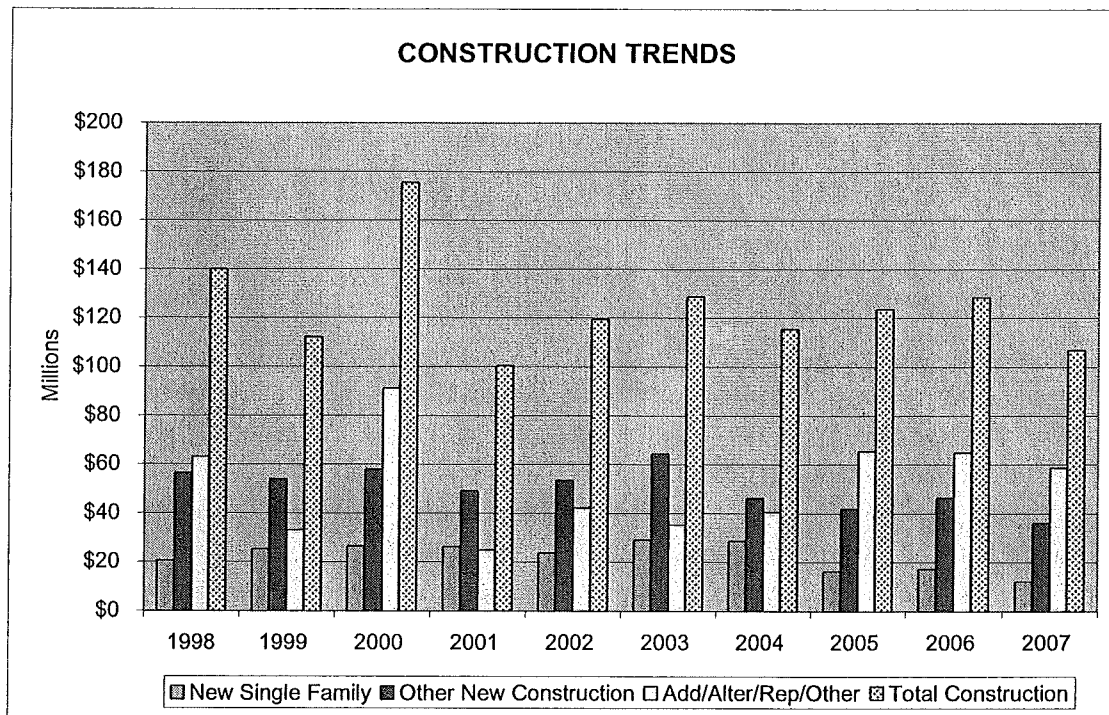
NOTES (1) - Numbers are in millions of gallons.

Sources: City department records
City of Eau Claire Program of Services
City of Eau Claire Comprehensive Annual Financial Report

CITY OF EAU CLAIRE

TABLE 36
PROPERTY VALUE AND CONSTRUCTION
Last Ten Fiscal Years
(Dollars in Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
New single family dwellings: # of units	174	188	189	170	156	192	188	102	104	66
Value	\$20,536	\$25,294	\$26,432	\$26,303	\$23,757	\$29,076	\$28,697	\$16,396	\$17,293	\$12,203
Other new construction	\$56,421	\$53,827	\$57,946	\$49,208	\$53,440	\$64,368	\$46,270	\$41,809	\$46,396	\$36,100
Additions/alterations/repairs & all other types of const.	\$63,023	\$33,003	\$91,173	\$24,864	\$42,237	\$35,292	\$40,488	\$65,363	\$64,867	\$58,675
Total construction valuation	\$139,980	\$112,124	\$175,551	\$100,375	\$119,434	\$128,736	\$115,455	\$123,568	\$128,556	\$106,978
Number of permits	1,516	1,431	1,479	1,443	1,340	1,452	1,375	1,175	1,255	1,159



Source: City of Eau Claire Inspections Division , "Fee Summary Report".

CITY OF EAU CLAIRE

TABLE 37
INSURANCE COVERAGES
December 31, 2007

	<u>Coverage Limits</u>	<u>Deductible or Self-Insured Retention (SIR)</u>
Worker's Compensation	Statutory	\$300,000 per occurrence
Commercial general liability:		
Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Boiler and machinery	\$50,000,000	\$5,000
Fire and extended coverage	\$180,321,503	\$25,000
Inland marine - all risks (contractor's equipment)	\$3,677,678	\$500
Money and securities - broad form coverage	\$10,000	\$1,000
Public official liability insurance (includes police)	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Automobile and truck insurance (excluding Transit):		
Bodily injury and property damage liability	\$5,000,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Uninsured motorists	\$50,000	\$200,000 (SIR) per occurrence \$400,000 (SIR) annual aggregate
Comprehensive	\$5,417,276	\$5,000
Collision	\$5,417,276	\$5,000
Transit		
Bodily injury and property damage liability	\$7,000,000	\$0
Public official surety bond		
Chief of Police	\$10,000	N/A
Director of Finance	\$10,000	N/A

Source: City of Eau Claire Risk Manager